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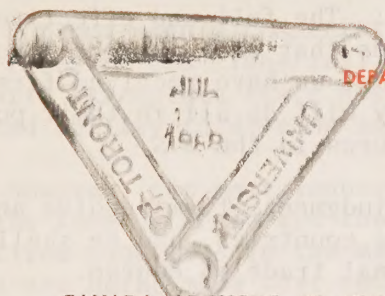
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STATEMENTS AND SPEECHES

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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/1

CANADA ADJUSTS TO THE RESULTS OF THE KENNEDY ROUND

Statement by the Honourable Robert H. Winters,
Minister of Trade and Commerce, to the House of
Commons Committee on Finance, Trade and Economic
Affairs, Ottawa, January 17, 1968.

...The Minister of Finance, in his statement to you, outlined the Government's basic policy objectives in the Kennedy Round negotiations, with particular reference to the Canadian tariff. I visited Geneva on various occasions for the final and crucial phases of the negotiations and I am convinced that the results achieved will be of far-reaching and lasting benefit to Canada's export trade and to the Canadian economy. It is essential now for all the major trading countries to ensure that the concessions granted are fully and effectively implemented.

I know you will wish me to refer to the current situation in world trade as we move into the period of implementation of the Kennedy Round results. The first point to be emphasized is that temporary problems and difficulties, however critical and important they may be, should not be allowed to interfere with the basic direction of policy and the gains achieved in the Kennedy Round.

The extensive programme announced by the U.S. to deal with its current balance-of-payments situation is of major significance not only to the U.S. but also to Canada and other countries, since the strength and stability of the U.S. dollar is of fundamental importance to the trading world as a whole. In this connection, the U.S. Government has referred to problems created for them by the European border tax system, and to the possibility that the U.S. might need to consider legislative measures of their own. As Mr. Sharp has indicated, we are in close touch with the U.S. Government in this regard. In the event that the U.S. might find it necessary to act in this field for balance-of-payments reasons, it is clearly understood on both sides that Canada would have to adopt offsetting measures designed to maintain Canada's competitive trade position both at home and abroad.

If the U.S. did decide to take such trade measures on balance-of-payments ground -- which I hope they would avoid --, it would be important that this should clearly be seen in perspective, in the context of the current payments situation, and not as representing any basic alteration in overall trade policy objectives and commitments. I know that the U.S. Government are fully conscious of this point.

There is the separate matter of strictly protectionist pressures which have become apparent in various countries and of which we shall doubtless be hearing a great deal throughout this year. The full and effective implementation of the Kennedy Round results implies that such pressures must be resisted, and in this connection I may say that we have received firm and formal assurances from the U.S. Government that they will do all in their power to ensure against passage of protectionist measures in the U.S.

In short, this is a time for cool judgment, firm resolve and continued co-operation on the part of all major trading countries, and we shall be doing our part to be helpful in keeping international trade on course.

It would be unfortunate and paradoxical if, now that we are about to reap the benefits of the biggest and most successful trade negotiations ever concluded, a mood of uncertainty and scepticism were to prevail. The facts lead to a quite different conclusion, and we should not allow temporary problems to obscure the significant long-term improvement which is taking place in the international trading framework.

I should like now to comment briefly on the Kennedy Round as a whole. These negotiations were the sixth round of general trade negotiations held under the aegis of the General Agreement on Tariffs and Trade since its inception in 1947. It was also the largest trade negotiation ever in terms of participants, in terms of world trade coverage, and in terms of scope and depth of tariff reduction. Some \$45 billion of world trade has been affected and major participating countries are making tariff cuts on 70 per cent of their dutiable industrial imports, of which some two-thirds will be by reductions of 50 per cent or more. Following upon the basic principle of the General Agreement, all trade and tariff concessions granted by any country to any other are automatically and unconditionally extended to all other participating countries.

In addition to the tariff bargaining, for the first time a general GATT trade negotiation was extended to include non-tariff obstacles to freer world trade. Major achievements here were the conclusion of an international code on anti-dumping and undertakings by the U.S.A. to seek elimination through the U.S. Congress of a particularly burdensome system of customs valuation on chemicals known as the American Selling Price System.

The negotiations covered all classes of product, both industrial and agricultural, and dealt not only with tariffs but also with certain non-tariff barriers. It was agreed that, to the maximum extent possible and subject to overall reciprocity, the negotiations would proceed on the basis of 50 percent equal linear or cross-the-board cuts in tariffs. The linear approach was adopted by a number of industrial countries, including the United States, Britain, the EEC and Japan.

As indicated by the Minister of Finance at the opening of these hearings, it was recognized from the outset that linear tariff cuts would not be appropriate in Canada's case because of this country's special trade and economic structure. Canada therefore participated on the basis of offering tariff concessions equivalent in terms of their effects on trade to the benefits

it obtained from all the other participating countries.

For our highly competitive resource-based industries (metal and minerals, forestry and fisheries), the further reduction and removal of barriers will strengthen their base of operations and enhance their already demonstrated ability to develop and expand their traditional trade.

However, the most important long-term benefits from the tariff agreements in the Kennedy Round are the linear reductions being made by principal industrialized countries in the manufactured goods sector. Fifty percent reductions are being made over very wide ranges of goods in this category, with the final rates in many areas being 10 per cent or lower. While Canada is currently a relatively minor supplier of manufactured goods in the world market, our exports of such products have been rising rapidly and it is essential that we should further enlarge our share of this, the most rapidly growing sector of world trade. Their continued advance can importantly affect the strength of the whole Canadian economy.

In our major market, the United States, over \$2 billion of our current exports will enjoy significantly reduced tariffs. Maximum concessions obtainable were secured on virtually every product for which Canada was a major supplier to the United States. This includes 50 percent cuts in most tariffs and complete removal of duties in such areas as fisheries and lumber where duties already were law. When the final reductions from the Kennedy Round are made, over 60 per cent of our total current sales to the United States will be free of duty.

As a result of the overall reduction of world trade barriers, many existing margins of preference between Canada and Britain will be reduced. This narrowing of preference in our historic markets in Britain will, however, be more than offset by the general expansion of trade and increased demand in the United Kingdom, as in other countries. In addition, our present duty-free access to the United Kingdom on virtually all our exports is being retained.

Canada's exports to other major overseas markets, such as the European Economic Community, other Western European countries and Japan, have been concentrated traditionally in a relatively narrow range of commodities. Wheat is the main single item and many of our other exports are in the primary commodity field and already duty-free. In the more highly processed and manufactured goods sector, however, our exports to overseas markets have been relatively small having in mind the massive size and rapid rate of growth of those markets. We have obtained tariff cuts on many of our current exports, totalling some \$300 million, but the overall reduction of tariffs in Europe and Japan in the processed and manufactured goods sector creates important new opportunities for our future export trade.

In the agricultural sector, the most important gain was the negotiation of the basic elements of an International Grains Arrangement, which were incorporated into such an arrangement negotiated in Rome later last year. As I informed the House on October 25, when tabling the International Grains Arrangement, it was the intention to place this arrangement before Parliament at the appropriate time for

approval. The agreement is to enter into force on July 1, 1968, and is to be ratified by signatory countries before that date. There are two major provisions of this agreement of particular value -- the new price schedule and the food-aid programme.

The new price schedule provides a price range with minimums and maximums about 21¢ a bushel higher than in the IWA 1962. Previous wheat agreements identified a minimum and maximum for only Manitoba No. 1. The schedule in this agreement identifies the price range for most major grades of wheat from all member exporting countries. This improvement places more equivalent responsibility on all exporting countries to co-operate fully in achieving the objectives of price stability and the observance of minimum and maximum prices. I am determined that everything possible shall be done to ensure that wheat prices will strengthen and that wheat will trade within the range agreed to at Geneva.

We of course regret that there has been a gap between the termination of the operative provisions of the IWA 1962 and the implementation of the new agreement. However, a further extension of the old agreement was opposed by the producer organizations of Western Canada and was not acceptable to the Government. This position was taken by the major exporting countries in the negotiations. We pressed for an earlier effective date for the new agreement, but this was not acceptable to some other countries. Constitutional procedures in other countries and decisions which had to be taken, particularly among EEC member states, made it impossible to obtain agreement for early implementation. The prices which have prevailed over recent months are slightly below the new minimums but have remained well above the minimums of the IWA 1962.

The second major provision is the agreement among the principal exporting and importing countries to share in a 13.5-million ton food-aid programme over a three-year period. This commitment to assist in providing food for the developing countries of the world is unprecedented. Canada's share of the total programme amounts to approximately 1.5 million tons.

In other areas of world agricultural trade, the results fell short of our overall objectives, but an important beginning has been made in grappling with the difficult issues raised in this field. In addition, some valuable new concessions were obtained, particularly in the United States, which will benefit the two-way flow of many agricultural products.

Inevitably, the tremendous scope and opportunity provided by the results of the Kennedy Round will have a deep and continuing impact for the Canadian export community. And because export trade accounts for about 20 per cent of total Canadian production, it will have a profound effect on the entire economy, providing that the Canadian export industry is able to take advantage of the opportunities that will be unfolding over the next four years.

The Economic Council has spotlighted one of our most urgent requirements -- the creation of new jobs for our rapidly expanding labour force. The Kennedy Round will offer part of the solution. The most striking, and most

important, reductions in trade barriers negotiated in the Kennedy Round were those on manufactured products. This is the sector which has the largest scope for export expansion, and it is, not coincidentally, a labour-intensive sector, relative to large areas of our resource industries. The increased specialization and restructuring of Canadian industry which will be necessary to take advantage of this improved access for manufactured products can be assisted by the Adjustment Assistance Programme announced by the Prime Minister at the end of the year.

The tariff agreements in the Kennedy Round provide for the staging of the tariff reductions. Mr. Sharp has already dealt with staging from the Canadian side. The United States, Switzerland, Austria and Australia began on January 1 this year by making a cut of one-fifth of the total reduction on each item, to be followed on January 1 of each of the four succeeding years to complete the process on January 1, 1972. Other major participants, such as the EEC, Japan, Britain, and other EFTA countries, are to make a two-fifths cut on July 1 this year and make three further one-fifth cuts on January 1, 1970, 1971 and 1972. In some instances where tariffs were already low, the United States will be making its total reduction in less than five stages.

We were very conscious of the need to bring the results of the Kennedy Round fully to the attention of the Canadian business community as quickly as possible after the agreements were signed. The most valuable element of our programme in this regard was the series of Kennedy Round seminars which were held across the country this autumn, in co-operation with provincial governments and other federal departments and which were attended by some 3,000 businessmen.

In the Department of Trade and Commerce, we have been planning and reorganizing to give the maximum support to the Canadian business community in its efforts to take full advantage of the Kennedy Round results. Some of the more important changes are:

(1) As of January 1, the department has been reorganized and streamlined to provide for two major functional groups. All services, whether in Canada or abroad, which have a promotional function are now concentrated under a single Assistant Deputy Minister (Trade Promotion), while all services having to do with intergovernmental negotiations and arrangements bearing on the protection and creation of access for our goods in foreign markets will be concentrated under the other Assistant Deputy Minister (Trade Policy). These changes will provide a more homogeneous grouping of functions, designed to make of Trade and Commerce an even more efficient, forward-looking agency of government, serving our export needs and so the prosperity and growth of Canada.

(2) During 1967 we have had a number of most valuable discussions with the Export Advisory Council, which I established at the beginning of 1967. The experience

and wealth of knowledge which the members of the Council bring to bear are especially useful to us and I am confident that this relationship will become even closer and more productive in the months ahead.

(3) Over recent months, we have been encouraging all specialized Canadian trade and industry associations to set up export councils, where this has not already been done, to provide new focus on export opportunities within industry groupings. We have had a very good response, and the department will be working closely with these new groups to maximize their efforts.

(4) I announced last September that the Export Credits Insurance Corporation would begin to accept applications as a normal rule for cover on exports to the United States. By December 31, insurance had been written on some \$5 million of Canadian sales to that market.

(5) As part of a comprehensive look at the adequacy of Canadian financial facilities for export, both public and private, the services and capacities of the ECIC are being re-examined. The underlying objective is to ensure that our financial services in support of export are kept fully competitive with those offered by other countries and flexible enough to meet changing and growing requirements. We are also conducting an examination of additional ways and means by which to provide greater support to our exporters.

(6) In support of the work of the National Design Council, a "Design Export" group is being established in the Department to ensure that all promotional activities take account of the role which improved industrial design can play in improving Canadian export performance. Following consultation with the National Design Council, a "Design-for-Export" programme is being initiated, involving displays and promotions through selected trade commissioner offices.

(7) Trade commissioner posts have been recently opened in San Francisco, Nairobi and Belgrade. I expect to officiate at the formal opening of a further trade commissioner office in Dallas, Texas, on Friday.

(8) We shall be further improving our normal export services and tailoring them more clearly to current needs flowing from the Kennedy Round. The toll-free Zenith telephone hook-up will be continued; the orientation of all our activities will be even more closely directed to new export opportunity. I have also asked for a review of the

sharing of costs of trade fairs between the Department and exporters who benefit therefrom, thereby permitting the expansion of this useful function.

The Kennedy Round has been a major step forward in the process of reducing barriers to the flow of international trade. But for a country like Canada, so dependent on a healthy international trading climate for a strong and growing economy, continuing moves towards trade liberalization are necessary. While the first priority must be to the full implementation of the Kennedy Round results, including the International Grains Arrangement, we must also work for measures which will continue the process of freeing-up world trade.

It was to this end that I participated in the GATT ministerial meeting last November to set out a work programme for the member countries of the General Agreement. In Geneva, I presented Canada's views and suggestions on the future work of the GATT. I was able to propose that we "... reaffirm (our) basic policy commitment to the cause of freer multilateral trade and (our) determination to ensure that the impetus to trade liberalization given by the Kennedy Round is maintained". I put particular emphasis on the desirability of the sector approach in future trade negotiations. While we recognized that no major new negotiations on a comprehensive basis could be expected in the near future, we did agree on the need to investigate those areas where further international negotiations would be beneficial. The complexities of the problems that remain and the uncertainties of the post-Kennedy-Round world require that a great deal of preliminary work be done. And that is what we and our trading partners agreed to begin. The work programme will be focusing on three main areas -- trade in industrial products, agriculture and problems of the less-developed countries.

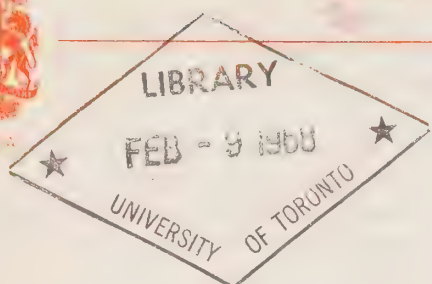
In the Kennedy Round, we maintained close touch with the Canadian business community, and we intend to maintain the same close contact in this further work programme.

Although the final figures are not yet in, it is clear from the data available that Canadians have met the 1967 export target of \$11.25 billion which I set. This year will be one of great challenge to Canadian exporters, representing as it does the first year of the implementation of the Kennedy Round results. I look to the vigour and ingenuity of Canadian exporters to meet the 1968 export target of \$12.3 billion.

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STATEMENTS AND SPEECHES



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/2

RESUMPTION OF THE EIGHTEEN-NATION DISARMAMENT COMMITTEE

Statement of the Honourable Paul Martin, Secretary of State for External Affairs, read in Geneva on January 18, 1968, by the Canadian Representative on the ENDC, Lieutenant-General E.L.M. Burns.

A little less than a year ago, I sent a short statement to this Committee welcoming earlier bilateral discussions between the United States and Soviet Union on the Non-Proliferation Treaty, which appeared to have brought those countries close to agreement. Unfortunately that measure of agreement, while productive, as the identical draft treaty texts tabled on August 24 last year bear witness, was not complete as the ENDC resumed in mid-December.

Now we are informed by the Co-chairmen that they have reached agreement on revised draft texts of a non-proliferation treaty for the consideration of the ENDC. I wish to say, on behalf of the Canadian Government, how much we appreciate the conciliatory spirit which has produced this long-awaited result, marking an important step forward in the negotiations. We recognize the long and demanding labours which have been required of the principal negotiators and their staffs, for which we express our thanks.

We are happy to learn that, as well as containing an agreed text of an article on treaty safeguards, which has presented so many difficulties, the new text includes new articles, or amended language, stemming from some of the constructive suggestions made by the other members of the Committee, and especially the non-aligned, after the tabling of the August 24 texts.

We think the merits of a non-proliferation treaty are self-evident and do not need repetition here. This Committee has now somewhat less than two months to decide on the precise terms of the draft treaty, before we are to report to the United Nations General Assembly. Every member has already registered its general position on the treaty, and we are all familiar with these positions. They have revealed differences of both substance and emphasis. Let us not now waste time reiterating our positions. Rather let our aim be to concentrate on narrowing and reconciling these differences in the light of the texts we have before us. The end result will be a treaty which will not completely satisfy any one member of this Committee. We cannot,

of course, expect a perfect and ideal document. However, it must reflect the highest common factor of mutual interest and agreement among us if two and a half years of intensive negotiation are not to be wasted.

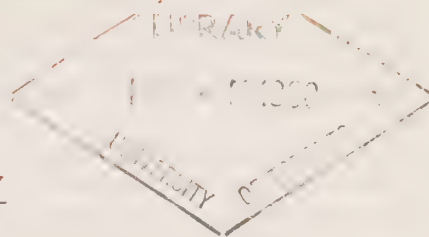
Our task is clear, and I think we are equal to it. It will require a lot of give and take and a lot of solid hard work. Let us redouble our efforts with the aim of making 1968 the year the Non-Proliferation Treaty was successfully negotiated. I feel confident that, together with the not inconsiderable accomplishments in the sphere of arms control in recent years, the conclusion of a non-proliferation treaty will put us in an excellent position to attack the more substantive problem of the control and reduction of existing nuclear arsenals.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/3

CANADIAN FOREIGN POLICY

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Joint Service Clubs, Medicine Hat, Alberta, February 5, 1968.

A recent book surprised a good many Canadians by pointing out that Canada has been the source of a galaxy of great technological innovations in the past 100 years - from the diesel locomotive and the telephone through automation to the zipper and the foghorn.

I sometimes think that Canadians are equally surprised at our accomplishments in the field of foreign relations. For example, how many of us are aware that Canada has become the sixth-largest trader in the world; that we are sometimes called the founder of the "new" Commonwealth; that we were instrumental in the creation of NATO, the Colombo Plan and the United Nations, that we are the sixth-largest provider of foreign aid in the world and the only major donor whose aid has been rapidly increasing; or that we have participated in all the peacekeeping operations of the UN and were the key country in the establishment of the UN Forces in the Middle East and Cyprus?

These are significant achievements. They, and the policy which has made them possible, should be better known. Today I should like to report on what Canada has been doing in recent years on the international stage and suggest some of the opportunities for the future.

The role we have been playing can be dealt with under headings: maintenance of world peace, international economic development and the furtherance of specific Canadian national interests.

No country in the community of nations has put a higher priority on the attainment and maintenance of world peace than has Canada. Our dedication to these objectives has been apparent in everything which we have been doing abroad. For example, the war in Vietnam. Canada has had no direct responsibility in the Southeast Asian region and no military alliance with the nations of the area. As members of the International Control Commission, however, we have not been able to stand by while the war in Vietnam raged on, causing tragedy to the participants and threatening even wider and more dangerous conflict. We have felt that the war must be brought to an end and that we must do everything in our power to help in suggesting ways by which

de-escalation, a cease-fire and final settlement might be achieved. To these ends, we have been repeatedly in contact with both sides; we have discussed the role that the ICC might play; in April of last year, I put forward a four-stage plan for a return to the Geneva cease-fire arrangements, and in September, at the United Nations General Assembly, Canada joined with a number of other countries in calling for an end to the bombing of North Vietnam as a first step in the process of de-escalation. So far, neither we nor any other country has succeeded in finding a formula which was acceptable to the parties, but the search continues, and we shall not slacken our efforts.

But Vietnam is not the only area in which Canada is persistent in the cause of peace. In the UN, Canada's name is associated with the concept of peace-keeping. We gave impetus to the idea of UN peacekeeping forces and observer missions and we have participated in the operations which have been mounted. Peace-keeping is not a substitute for peace-making. But we believe that, in certain circumstances, peacekeeping activity has been indispensable in giving the parties to a dispute an opportunity to find a permanent solution. That is why the Canadian Government was so concerned in 1964 to urge the creation of UNFICYP in Cyprus. Without this force, large-scale hostilities might have resumed between the island's communities. That danger still exists. It is the Canadian view that the peacekeeping potential of the United Nations should be strengthened so that in the expectation of future crises the international community will be able to assist in defusing a conflict wherever it might arise.

There is a further way in which we are contributing to the drive for world peace. This is through collective-security arrangements. We are members of the North Atlantic Treaty Organization. This alliance has acted through the years to reduce the likelihood of aggression or miscalculation in Europe, has created a climate of relative stability in Central Europe and, increasingly, is providing a means by which the avenues to a peaceful and permanent settlement of East-West differences might be found. Canada has made its full contribution to the Atlantic alliance -- not only in military but also in political terms. We were the first country to suggest, for example, three years ago, that the alliance should re-examine its goals and future role. A fundamental review of strategy and political policy has now taken place which shows that the alliance is taking account of changing circumstances and adapting itself to meet the requirements of the 70s. While seeking with its allies a mutual and agreed reduction of forces between the Warsaw Pact and NATO, Canada will continue to make an appropriate contribution to the Atlantic alliance.

Membership in the Commonwealth is also a method of contributing to peace and international understanding. Originally an outgrowth of the Empire, the Commonwealth today is a very different association. It acts as a bridge -- albeit, as the Prime Minister has said, at times a somewhat unsteady bridge -- between the races of the world. It provides a forum in which potential conflict and antagonisms can be mitigated. Mutual confidence has been built up in relations that otherwise would have been tense and fraught with danger for international peace. In such issues as Rhodesia, Canada has worked within the Commonwealth framework to find common ground among countries whose basic aims may be similar but who differ in approach. Canada will continue to do what it can through the Commonwealth to strengthen the bridge between the races and between peoples in different regions with very different ways of life.

Finally, we have been working to ensure lasting international peace through arms control and disarmament measures. A member of every major disarmament forum since the Second World War, Canada helped to achieve such advances as the ban on atmospheric nuclear tests in 1963 and the treaty on the peaceful uses of outer space which was signed last year. We have been engaged in the arduous negotiations in Geneva and New York over a period of more than two and a half years to work out a universal treaty to prevent the spread of nuclear weapons. Our efforts -- and those of many other countries -- are, we hope, close to bearing fruit as the Geneva Disarmament Committee is aiming at the presentation of an agreed draft treaty to the United Nations for consideration in a short time. It is a long, difficult process, in which the notable gains are often obscured by inevitable setbacks, but necessary considering the threat to world security posed by an escalation of the nuclear-arms race and the prospect of nuclear arms spreading to a score of countries around the globe. Our ultimate aim is general and complete disarmament; we must press on patiently but resolutely with our international efforts to reach that objective..

The second major area of Canadian foreign policy lies in the field of economics. The potential for economic growth and development through the world is unlimited. This applies both to the developed and to the less-developed nations. Canadian foreign economic policy has been directed to translating the potential for growth into reality. Canada is an internationalist country. We believe that only through co-operation among nations, through multilateral and bilateral negotiation and agreement, can we maintain real economic progress. Only through a dramatic but sustained effort can we narrow the gap between rich and poor nations.

There is evidence that poverty and instability are causally connected. We cannot remind ourselves too often that the outlook for a stable world order is dim indeed if the majority of the globe's population are frustrated in their legitimate hope for a better life. As I emphasized at the last General Assembly, hunger, disease, poverty and ignorance threaten the peace just as surely as disputes over frontiers or antagonism between races. Poor countries must be given the assistance required to supplement their own efforts to "take off" economically. International development assistance cannot do the job alone, but it seems to be an essential ingredient.

Canada has responded to the needs of the third world. We began slowly back in 1950. But in the past four years we have made great strides forward. We have tripled our aid allocations. We have extended our assistance to more than 60 countries in three continents. We are making good progress towards reaching our objective -- the international aid goal of one per cent of national income.

Just as important as the size or extent of the programmes has been the involvement of the Canadian people. This support has manifested itself in personal participation by thousands of Canadians, sometimes in official programmes, often in non-governmental programmes such as the Canadian University Service Overseas and, most recently, in the Canadian Executive Services Overseas. Canadians see that we have a vital part to play in international development, that we must combat the trends which have resulted in a levelling-off or reduction of development funds in other Western countries. Indeed, we must encourage an even greater effort everywhere.

The problems of under-development have resulted in the creation of the multilateral institutions necessary for a concerted international search for their solution. Although it was set up only four years ago, the UN Conference on Trade and Development has become a major forum for the discussion of the complex questions involved in stimulating the economic growth of the underdeveloped world. The second UN Conference opens its two-month session in New Delhi this week. It will provide the occasion to draw the balance-sheet on the current state of international development efforts, chart the course which future action should take and lay the basis for new co-operative endeavours to assist developing countries. With its great interest in both aid and the further liberalization and expansion of world trade, Canada will make every effort to contribute to the success of this important conference.

Because of our position as a major world-trader, we have long been active in promoting the creation and enlargement of markets within a healthy world economy. An example of our efforts was our participation in the long and arduous negotiations within the framework of the General Agreement on Tariffs and Trade completed in 1967 - the so-called Kennedy Round. We welcome the results of the negotiations, which represent a significant step forward in reducing trade barriers. As a grain exporter, we also welcome the price and food-aid provisions of the new International Grains Agreement which is to go into effect on July 1, 1968. In 1967, Canada continued to participate in discussions among ten leading industrial countries to ensure that the future expansion of the world economy would not be hampered by a shortage of international liquidity - that there would be sufficient gold and currency to finance trade and other international transactions. We played a prominent part in the search for a formula by which new liquidity would be both flexible in use and attractive as an asset. We must now build upon the gains of the past year, resist any tendency in present world conditions to reverse the progress we have been making and work for measures which will sustain the movement toward freer multilateral world trade.

World peace and international economic development are the great themes of Canadian foreign policy. How are they related to Canada's national interest? In my view, in two ways.

First of all, it is obvious that Canada would find it more difficult to build at home if the world were in turmoil. A secure peace is essential to our national well-being and security. It is also apparent, because of our dependence on world trade, that increased economic prosperity abroad is a prerequisite for long-term Canadian economic development.

National and international interests in the Canadian experience have not been in conflict. By working to establish a stronger, more influential and better-known Canada in the world, we can contribute to the well-being of other countries. It must be our objective to ensure that the interaction of national and international interest continues in the future.

I cannot, in these remarks describe all of Canada's specific policies in promoting our national interest. I should, however, like to suggest three areas of particular importance: our relations with the United States, our international influence compared to that of other countries and national unity as a factor in our international relations.

Our relations with the United States are vital. It is a truism to say that the super-power to the south affects us in innumerable important ways. Both officially and privately, Canadians welcome their close ties with the United States and cherish the mutually beneficial relation which has grown up. But there can be no question of Canada's conceding its freedom of action. As part of the Western world, we work together with the United States internationally in many areas. But, if we differ with the United States on international issues, as, for example, on Cuba and trade with Communist China, we adopt our own position and follow our own course of action. Similarly, we welcome American investment and count on the contribution it continues to bring to our industry and resource development; yet we insist that foreign companies in Canada act as good corporate citizens within the laws of this country.

All countries, large and small, must accept restraints on their freedom of action - the twentieth century has made us increasingly interdependent - but, within this general framework, Canada pursues an independent foreign policy. At the base of our policy decisions is our concern to promote Canada's long-term interests.

Canada's influence in the world has grown significantly. Before the Second World War, we had little power, little influence and little interest in the world. In a generation, there has been almost an explosion in our involvement and influence. Based upon our wartime contributions, economic growth, political and military alliances, international experience and involvement in world-wide issues, we have significantly enlarged the area in which our views and actions have had an impact upon the course of events in the world. We have a knowledgeable and positive voice, which is listened to with respect everywhere. The power relations of countries have been changing; the relative influence of countries will not be the same in the next ten to 20 years as it was in the past. In the not-too-distant future Canada will be, by rough reckoning, as influential a country as any in the world with the exception of the super-powers.

The future for Canadian foreign policy depends on national unity at home. If we cannot come to grips with our domestic problems, if we cannot re-create our country in a way which will give equality to both our broad linguistic communities, we shall not have the strength and self-confidence to fulfil our destiny abroad. I think that Canadians are coming to appreciate the magnitude of our problem. They are also prepared to do something about it. I am confident that, with goodwill and a desire to see a new Canada, we shall emerge from our present crisis stronger and more united than ever. Not only more united but better able to realize our full potential in world affairs. Our bicultural-bilingual character will enable Canada to extend its close contacts and co-operation with countries sharing a common French language and culture.

Whatever our different views on how to deal with the problem of unity, there is one point on which Canadians should agree: we should solve our difficulties ourselves. We should not condone the unwelcome intrusion of any outsider, however prestigious, in our affairs. Only if we attack our problems ourselves can we hope to resolve them and be worthy of our future.

Our international goals of peace and development will remain unchanged. The forums and the methods we have used to reach these goals in the past, however, may have to be altered or even discarded. They have served their purpose well,

but they are not sacrosanct. Canadian foreign policy has been created in a world of change. As a result, it is a flexible instrument. It can be remoulded to fit the evolving patterns of the future.

We have the opportunities; we must seize them and act with imagination and wisdom in the cause of international accord and economic prosperity among nations. In the final analysis, only in this way shall we serve our own national self-interest.

S/C

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/4

A TIME FOR CRUCIAL DECISIONS

Statement by Prime Minister L.B. Pearson at
the Opening in Ottawa of the Constitutional
Conference on February 5, 1968

There are times in the life of a country when the assurance of good intentions, the discharge of normal duty and acceptance of routine responsibility, are not enough. What such times demand is the exercise of courage and decision that go far beyond the needs of the moment. I believe that this is such a time for Canada. Here the road forks. If we have the resolution and the wisdom to choose the right new course and to follow it steadfastly, I can see few limits to what we may achieve together as a people. But, if we lack the courage to choose or if we choose wrongly, we shall leave to our children, and our children's children a country in fragments, and we ourselves shall have become the failures of Confederation.

Today forces of change are abroad in the world. They are wiping out old landmarks and are making some old traditions seem hardly relevant. I am not wise enough (perhaps no one is wise enough) to know all the causes of these movements of change or to define their direction or their ultimate outcome. But no one can be unaware of their presence or their power. They are to be seen at work within most of our own institutions. They are having a deep, and, at times, a disconcerting, effect on the hopes of the young and on their relation to society. They are leading to a wide search for new patterns of self-fulfilment - a search which governments should encourage and direct so that it can meet new conditions and new aspirations.

These forces of change are having their effect not only on the lives of individuals but on the structure of states; and in all countries. Here in Canada they have been working as solvents on Confederation itself and on the whole pattern of our national life.

In this day, it is folly to think that a country, let alone a province, can be an island unto itself. I have spent much of my life in international negotiation and in attempting to settle international disputes. I think I know as well as most the need to curb national sovereignty in the interests of international order and to work towards the day when there will be an effective world organization covering the globe. But I also know that day is far away. I know that, for a long time to come, there will be a need for states,

federal and unitary, to mediate between the weakness and splendour of individuals and the larger, rarer, undifferentiated atmosphere of any imaginable world community. There will long be a need for some intermediate political environment where an individual can live and breathe and know himself in surroundings richer, more familiar, more native to him, than the more rarefied atmosphere of the international world.

Of all the countries in the world that stand in this way between man and his global environment, between the traditions of the past and the hopes of the future, there is none that has the promise of Canada. Ours is one of the richest. Everything that is possible in the world is possible here. Canada's expanse is broad and breathtaking. Our wealth in natural and human resources is great. We have men and women of ability, skill, energy and resolve.

But I am also thinking of deeper things. I am thinking of how Canadians have built and worked together for more than 100 years to open up and develop this country and bind it closer. I am thinking of how, in good times and bad, Canadians from different parts and of different origins have managed to compose their differences with only a minimum of violence or bitterness. I am thinking of the achievements - greater than we realize - that we have had already in the realm of the mind and the spirit. And I am thinking also of what I detect among our young people today - a desire to outstrip those achievements.

Those are some of the reasons why Canada must be dear to us all. But there is a simpler reason for my feeling than all this. It is simply that Canada is ours; that it belongs to us, and - in a deeper sense still - that we all belong to it. We all have our individual memories and our local loyalties that tie us to this land. For each of us those memories and loyalties are different. But they are overlapping. And it is that overlapping tissue of loyalties, involving our hearts more than our minds, which, more than anything else, constitutes this country. To tear apart these loyalties would be to destroy the country and to leave us all diminished.

We all know that French Canada today feels a deep dissatisfaction with its place in Confederation. The reasons for that are complex and of varying significance. I have said in the past, and I repeat now, that I believe most of those reasons to be entirely justified. But this is not the occasion either to try to analyse why there is discontent in French Canada or to weigh judiciously everything that has contributed to produce that result. What is far more important is to admit that this dissatisfaction is a fact and to recognize that, if it is allowed to continue without remedy, it could lead to separation and to the end of Confederation.

Equally important is to recognize that it lies within our power to prevent this, to remove the causes of discontent, to lay the groundwork for a great new act of accommodation which will ensure the hopes and aspirations of all Canadians. It is to nothing less than this that we must commit ourselves at this conference.

Most of you know me well enough to know that, whatever gifts I may have, eloquence is not among them. But I wish this morning I had some of the

eloquence of D'Arcy McGee or Wilfrid Laurier. I wish my voice could rouse all Canadians to what this moment requires of us all.

This conference seems to be about the same as many others. The weather is about as you would expect at this time of year. People are going about their business as usual. But this is not a usual occasion. It is a critical one, and our decisions will be crucial for Canada.

I was born and bred in Ontario and have never ceased to be proud of that inheritance. Ontario is in many ways central in these discussions - as the most populous province, and the richest, and as the province where there is the longest tradition of living and working together with French Canada. I think of those days after the passage of the Act of Union in 1841, when Kingston was the capital of Canada; when Robert Baldwin was elected to the legislature at a by-election in Quebec and Louis Hippolyte Lafontaine was elected at a by-election in Ontario.

The position of Ontario is central for another reason. More may be asked of it than of any other province in the way of innovation and magnanimity. In its turn, the loss that would be caused by dismemberment would be almost as great for Ontario as it would be for Quebec. Ontario would be weakened and impoverished as a result; so much has the character and flavour of life in English-speaking Eastern Canada depended on our partnership in so many ways with French-Canadians.

This question of what kind of Canada would be left if Quebec were to withdraw from Confederation will be deeply pondered by English-speaking Canadians in every other part of the country as well, even though the tragic results may be less obvious the farther away you move from the Province of Quebec.

Perhaps it is in the Western Provinces that the cardinal problems we must grapple with today are likely to seem most remote. There, the heartland of French Canada is far away. The settlements of French-Canadians are few and infrequent, and life has been deeply coloured by the flow of immigrants from countries other than France or the British Isles.

I would beg Canadians of such different ethnic origins to believe that any proposals of the Federal Government - or indeed of any other government - at this conference are put forward in full recognition of the great contribution they have made to Canadian life, not only in the West but in every other part of Canada; and in full recognition also of the sacrifices they have made to serve and enrich this country. I believe that these other Canadians will find the new course we are proposing for Canada easier to accept and support if they remember that the country to which they have committed themselves and their children, and the country where they have found their freedom, may not endure without a great new act of accommodation. For let me be explicit - what is at stake, in my opinion, is no less than Canada's survival as a nation.

Some aspects of constitutional change may also not come easy to many in these old provinces by the Atlantic seaboard. I would ask them to believe that I am very much aware of the decisive part those provinces played in the creation of our country 100 years ago. I am very much aware also that economic progress there has been slower than in other parts of the country. I have joined others before me in trying to remedy that, but I am very conscious of the fact that much more remains to be done. Indeed, I regard the problem of raising economic levels in the Atlantic Provinces as a principal aspect of the total problem of maintaining Canadian unity. There will, I know, be support from those provinces for a programme of constitutional progress and reform, if only because they also would be surely and quickly injured if Canada were divided.

What I would say to French-speaking Canadians is perhaps best expressed in the programme of policy that I have put forward in the document entitled Federalism for the Future. I should like to say merely two things. The first is a comment on the suggestion that has been made that, if Quebec were to secede, it could then enter into negotiations with Ottawa in order to work out a modus vivendi with the rest of Canada while acquiring independent sovereignty. As someone not without experience in international negotiations, I should like to state my view that any such proposal rests on illusion - indeed, on a whole set of illusions. It is an illusion to think that a declared intention to seek a disputed divorce can be the basis for amicable and productive negotiations, especially when the parties concerned are still living in the same house or as next-door neighbours. It may even be an illusion to think that in such circumstances there would necessarily be an "Ottawa" that could speak for the whole of English-speaking Canada. Indeed, the whole proposal disguises the obvious fact that separation could not be carried out without rupture and loss and pain.

Secondly, and more generally and positively, I should like to say a few words to French Canada in explanation of the spirit that animates the course of action I think should be taken. It is designed essentially to create conditions - and with all possible speed - so that French-speaking Canadians may feel that every part of this country is their homeland. But this feeling requires understanding and goodwill and patience - on their part as well as on the part of English-speaking Canada.

Our federal proposals are designed to set in train a process of constitutional review so that Quebec may have the largest possible scope for the development of its own society, its own destiny, in Canada. But this process of change must be consistent - let there be no doubt on this - with the continued existence of Canada as a single federal state.

Since I became Prime Minister of this country, almost five years ago, I have been privileged to take some initiatives to help meet developing threats to Canada's very survival as a nation. In the course of the last few months, my Government has been giving careful thought to the results of these initiatives. We have been also ranging much more widely in our deliberations in order to leave no area unexamined where there might be opportunities for constructive action. It is to this end that we are presenting certain proposals at this conference.

Last October, the Royal Commission on Bilingualism and Biculturalism submitted the first volume of its final report. That volume deals with English and French as the two official languages of Canada; with the basic issue of

cultural and linguistic equality. It makes 14 recommendations. Some of them are addressed to the Federal Government. We accept these and we shall proceed to implement them as quickly as we can.

Some are addressed to the provincial governments. We hope that the provinces will find it possible to accept them. For our part, we stand ready to offer such help as may be necessary and desired.

Some of the recommendations are addressed to the federal and provincial governments jointly. In those cases, we should be glad to enter immediately into negotiations with the provinces, with a view to agreement on joint implementation. As I see it, it will be one of the most important tasks of this conference, with top priority, to secure the widest possible measure of agreement on these far-reaching and carefully considered recommendations.

There are recommendations which if accepted, would involve changes to the British North America Act which would have to be agreed to by the federal and provincial governments. These two changes, whether in the precise form recommended or in some other, are, in my view, fundamental if we are to establish and to ensure the basic principle of equality for the communities of people speaking our two official languages. It is essential for Canada that this principle be accepted and become real.

I hope also that we can reach agreement in principle at this conference on a constitutional charter of rights for all Canadians. This would cover a wide variety of rights, political, legal, egalitarian as well as linguistic. To agree on the detailed provisions and the mode and pace of enactment of a charter of human rights will clearly not be easy, and it will take time. There are subtle and important legal and constitutional questions at issue. But I would urge that in this process none of us lose sight of the large goals before us. What we shall be aiming at, if we can agree here in principle, is to provide a firmer, wider and more secure basis for the freedom of all Canadians, not only as individuals but also as members of particular societies within a larger unity. That, I believe is the beacon that we should steer by.

I hope, finally, that we can agree here to undertake jointly - as a matter of fundamental importance - a comprehensive constitutional review, and agree, as well, on the methods and procedures that we should follow in carrying it out. The British North America Act was a great act of statesmanship in its day. It has served as the constitutional basis for the growth of the strong and varied Confederation that we know today. But it is hardly to be expected that an Act passed more than 100 years ago should be adequate for all the needs or aspirations of Canadians today and for the future.

That is why my colleagues and I recommend that we now agree to begin a systematic and balanced process of constitutional review. It is impossible for me, or for anyone else, to forecast in advance what the ultimate and agreed results of this are likely to be. But, as an indication of the scope of the review that we recommend, we should want to include in it the institutions of federalism, such as the composition and functions of the Supreme Court of Canada, and the Senate. Certainly, a most important part of any such review would be the division of powers and jurisdiction between the federal and provincial governments.

It will be obvious that courage and imagination will be needed from us all if we are to set our hands effectively at this conference to this kind of stage-by-stage action, which I, for one, believe essential.

In our initial discussions, this week, the representatives of the Federal Government will, of course, be receptive to the wishes and open-minded to the proposals of every province. But I should be less than candid if I failed to point out that there are certain federal positions which must be maintained. The Federal Government must be strong enough to carry out its responsibilities for moderating economic fluctuations and for promoting economic growth. It must be able to promote economic equality for Canadians in all parts of the country and for every economic region. It must maintain the right and the power to assist in research and in cultural developments. It must maintain the unity of Canada's foreign policy, as an indispensable attribute for any state that does not intend to allow itself to be divided.

I believe that the review which I am recommending will prove that there is large room for constitutional revision. But even now Canada has one of the more decentralized federal systems of the world. For us, this is right. But federal powers must not be so reduced that the Government of Canada will be unable to carry out the responsibilities it must discharge if the country is to remain strong, prosperous and united.

The reservations that I have listed are important. But none of them need stand in the way of the great new act of reform and accommodation which we believe should now be undertaken. On the contrary, they are to be regarded as a necessary complement to it, since it would be impossible to build more amply without maintaining the strength at the centre which is necessary to hold the whole structure together.

Let me recapitulate, then, the main elements of a programme to being about a new federalism:

- (1) Agreement at this conference to accept the recommendations of the Royal Commission on Bilingualism and Biculturalism recommending English and French as our official languages and establishing the cultural and linguistic equality of the two groups who together made Confederation with constitutional guarantees in that regard.
- (2) Agreement on the principle that certain basic rights should be constitutionally secured for all Canadians.
- (3) Agreement to embark on a comprehensive process of constitutional review.

The nature of such a programme puts it above regional or racial or party interest or advantage. It is a programme for all Canada.

In moving in the direction I have been recommending, we shall be making many new departures and slipping some old moorings. Some traditions may be altered or left behind in the process. For some that will be painful. As for me, I believe it can be done in a way which will meet the challenge of the future without betraying the values of the past.

Finally, I should like to direct a few words to those who are younger than we are. It is to their judgment that everything we do here - or fail to do - must ultimately be submitted. It is their future we are dealing with. It is their country, even more than ours, that we are attempting to refashion and strengthen. So I would invite their interest and sympathy and co-operation as well as their criticism and suggestions.

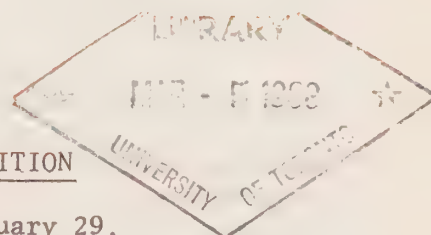
Presiding over this conference is one of my last major responsibilities as the Prime Minister of Canada. As I look back over the past five years, I can think of things that I have left undone and of things that I might have done better. But I am not troubled by the thought of any conscious failure of devotion, on my part, to Canada, or its interests, or to any of its people. So it is with a full heart - but with full confidence, too - that I invite you to join with me in the task of building an even freer, greater and more generous future for our beloved country.

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/5

THE "PUEBLO" INCIDENT - THE CANADIAN POSITION

Statement in the House of Commons on January 29, 1968, by the Secretary of State for External Affairs, the Honourable Paul Martin.

On Friday last a number of questions were raised with regard to the serious situation which has developed as a result of the seizure of the United States ship known as *Pueblo* by North Korea and their continued detention of that United States naval vessel and its crew....

I am sure all Hon. Members will understand that the fullest possible statement cannot be made at the present time because of the important discussions and consultations that are now still under way at the United Nations. The United States authorities have stated categorically that, at the time of its seizure on the evening of January 21, the vessel in question was in international waters. We accept the United States statement with regard to the ship's co-ordinates at that time. The information available to us strongly indicates that this point does lie in international waters and not in territorial waters. North Korea has alleged otherwise but so far has not put forward any evidence in support of its contention.

The ship in question was under United States command and not under the command of the United Nations in Korea. The dispute, therefore, is essentially one between the United States and North Korea. We do not consider it to be a violation of the Korean armistice of 1953. Canada, therefore, on that account is not involved. However, we are concerned with the potential danger to international peace which this incident involves. We have a particular responsibility as a member of the Security Council to make every effort to find a peaceful solution.

On Thursday last, when I was not in the House, questions were asked about our obligations to Korea under the declaration made by the 16 contributing countries in the United Nations force. Canada's present obligations to Korea derive from the 16-nation declaration on Korea issued at Washington on July 27, 1953, immediately following the signing of the Korean armistice agreement. That declaration includes this statement:

"We affirm, in the interests of world peace, that, if there is a renewal of the armed attack, challenging again the principles of the United Nations, we should again be united and prompt to resist."

The United Nations Command remains in Korea with the full sanction and authority of the Security Council. Canada still has a liaison officer attached to the United Nations Command, but the last of the Canadian contingent, which was the third largest national force sent to Korea as a result of the Security Council's appeal in 1950, was withdrawn in 1957, four years after the conclusion of the Korean armistice agreement.

There is not at this time any specific Canadian commitment to supply military forces or equipment. Should the situation in Korea develop adversely (and I sincerely hope it will not -- it is certainly a matter of concern that there has been in recent months a marked increase in the number of incidents investigated by North Korea), it would be for the Canadian Government and Parliament, in the absence of a new United Nations resolution, to decide whether the situation fell within the meaning of the 16-nation declaration of which this country is a signatory. In any event, the matter would have to be referred to the Security Council before any action could be taken by the United Nations.

The Security Council met on January 26 at the request of the United States. The Canadian representative, noting the Council's primary responsibility for international peace and security, supported inscription of an item on the increase of tension in the area of Korea and welcomed the decision of the United States to seek the assistance of the United Nations to help it solve a difficult problem through diplomatic channels. Our Ambassador suggested that one possible way of bringing about a speedy and equitable solution might be an arrangement for an intermediary or intermediaries.

At a second meeting of the Council on Saturday, there was unanimous support for the further Canadian suggestion that progress might best be achieved by private consultations, which would enable members of the Council to consider and develop any ideas or suggestions they might have. This seemed to be the best way of dealing with the immediate problem of the *Pueblo*.

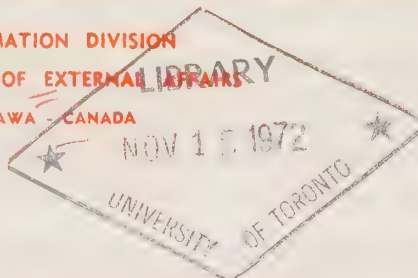
Those consultations, in which all members of the Council have been participating, have been proceeding over the weekend in New York and in a number of national capitals. They proceeded this morning, and they are taking place again at this very moment. A number of ideas have been explored, I think, in a useful and constructive fashion. I am encouraged to date by the sense of responsibility and restraint, as well as by the sense of urgency, which have marked these consultations. I must say that the Government of the United States has displayed moderation and a commendable desire to seek a solution through diplomatic means. I hope all countries which may be involved in the consequences of failure to resolve the controversy will show an equal determination to seek a settlement through peaceful means.

Furthermore, members of the Security Council -- and this includes Canada -- have a special responsibility to seek a reasonable and early solution. I can assure the House that the Government is following this matter very closely; is in continuous contact with the parties concerned, and I hope the end result of these consultations will be the resolving of this matter in a way which will not add to the dangers in the situation.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/6

CANADA AND THE DEVELOPMENT OF WORLD TRADE

Address by the Honourable Robert H. Winters,
Minister of Trade and Commerce, to the
Export Advisory Council, Ottawa, Ontario,
February 23, 1968.

...As you may know, I returned to Ottawa just last week from a visit to Britain, Holland, Italy, Iran and India, where I headed the Canadian delegation to the very important United Nations Conference on Trade and Development (UNCTAD).

One of the great satisfactions of my tenure here has been the formation and development of this Advisory Council and the results it has achieved in helping to generate a national export consciousness.

Any government organization faces the danger of growing remote from and unresponsive to the needs of the public it serves. This body was formed to ensure that this Department does not do that. The Council is doing its job admirably well. You have provided us with wise counsel and sound recommendations. Later in the morning we shall discuss some of these recommendations and the response the Department has made to them. I hope we can satisfy you that we have treated your suggestions very seriously indeed, and I hope in turn that you are deriving satisfaction from your membership on the Council and the work it is doing.

International Trade Developments

During the Council's first year, there have been many exciting developments in world trade. You will recall our third meeting last July, which came hard on the heels of the signing of the Kennedy Round agreements. Implementation of these agreements is now beginning to take place. The first step in tariff cuts came into effect in Canada and the United States on January 1.

The World Grains Agreement is scheduled to be ratified and put into operation on July 1. In the meantime, we are in close touch with other major wheat exporters to ensure that world prices start moving up. New Canadian anti-dumping legislation in line with the anti-dumping code adopted at Geneva will, I hope, be introduced in Parliament this spring for implementation July 1.

The Government's new Adjustment Assistance Programme is available, and the Department of Trade and Commerce is participating in the administration of the Programme with the Department of Industry so far as exports are concerned.

I have said this many times before, but it bears repeating once again - the Kennedy Round tariff cuts will provide benefits to Canada only to the degree that we exploit the opportunities they have opened up. It is essential that Canadian business actively and aggressively pursue its own efforts and adapt its production and marketing plans, if and as required, to exploit these opportunities.

The interest shown by Canadian businessmen has been intense. You will recall the Kennedy Round seminars last autumn, which attracted some 3,000 participants. Since that time, officials of the Department have participated in many regional and local meetings to discuss Kennedy Round implications with business groups.

U.S. Balance of Payments

In recent weeks, there has been concern over the U.S. Government's consideration of the use of border taxes or surcharges as a measure to improve that country's balance-of-payments position. We are in close touch with the U.S. on this matter and are urging them to take the matter up in international consultations if they deem it necessary to pursue such a programme. As you know, the Canadian Government has said that it will take offsetting action if the U.S. imposes border taxes so that Canadian exporters will not be disadvantaged.

The really important thing is that we do not let any temporary balance-of-payments measures by the U.S. obscure or prejudice the gains made under the Kennedy Round. It would be disastrous if the nations of the world began back-sliding into protectionism and high tariffs at a time when so much progress is being made along the road to trade liberalization.

International Conferences

Since we last met, I have represented the Canadian Government on two major international trade conferences and made official visits to 11 countries. Last November, in Geneva, along with officials, I attended the GATT ministerial meeting at which we began the work of charting our course for the post-Kennedy Round era.

I stressed the view of the Canadian Government that it is of prime importance to maintain our forward momentum and start to lay the groundwork for future initiatives towards world trade. Of course, no new major initiative can be envisaged until the United States has new trade legislation. The U.S. is now beginning preparations for such legislation and we shall be in close touch with them during this period.

At Geneva, the ministers of the countries represented agreed on directives for a new work programme oriented to future trade initiatives.

Three committees were established for this purpose - on industry, agriculture and developing countries.

As a first step, it was agreed that member governments submit lists of non-tariff barriers that impede their exports. I am seeking the best possible advice from the Canadian business community in preparing our submissions. To that end, I have written to exporters and trade associations asking their views, and I am counting heavily on the advice and guidance of this Council with respect to proposals for the future.

Immediately after the GATT meeting, I represented the Government at the Ministerial Council of the Organization for Economic Co-operation and Development (OECD) in Paris.

The paramount issue to which the ministers addressed themselves was the economic situation of member countries -- specifically their balance-of-payments situation.

We also agreed to the broad lines of a report on the question of preferences for developing countries as a common basis for member countries of the Organization at the second UNCTAD.

Before returning home, I also made official visits to the capitals of Sweden, Norway, Denmark and Finland, where I had useful discussions on furthering our mutual trade with ministers of the respective governments.

While en route to the second UNCTAD in Delhi, I had a very useful meeting in Rome with ministers of the Italian Government. The Minister of Trade and I issued a joint communiqué, a copy of which is available. Subsequently, in Tehran, I had discussions with the Shah, the Prime Minister and several ministers of the Iranian Government. The relations between our two countries are conducive to very exciting possibilities for Canadian exports and investment in Iran. We shall be discussing this in more detail later this morning.

UNCTAD

I consider the UNCTAD meetings which are still in progress at the official level to be of utmost importance. In my address to the Assembly, among other things, I said: "In this shrinking world, we cannot afford to isolate the good fortune of the few from the misfortune of the many".

We in the industrialized countries must recognize the urgent need to step up our efforts both in aid and trade with the developing world.

I reviewed the steady and sizeable growth in Canada's aid programme and re-affirmed our intention to continue this development of increased aid despite our position as a net importer of capital. I reminded the other nations that, as regards manufacturing, we are still in the early stages of growth and development and that this must be borne in mind in working out programmes for access, particularly on a preferential basis.

I described our role in attempting to strengthen international commodity agreements for sugar, coffee and cocoa and our proposal at the GATT for a concerted move by industrialized countries to provide free entry on tropical products. While this objective was not achieved, a start has been made and in Canada we have eliminated tariffs on several of these products and reduced others substantially. I alluded to our special interest in the countries of the Commonwealth Caribbean.

The problems faced at UNCTAD are complex and difficult. The idea of tariff preferences for developing countries will probably receive support in principle, but great care must be taken in setting up any preferential scheme to ensure broadly equivalent opportunities to all developing countries and take into account the effect which such preferences may have on the exports of third countries. The impact of preferential imports should also be fairly spread amongst the developed countries.

Canada's Trade Position

Turning to the domestic scene, I am happy to note before this Council the achievement by a good margin of our centennial year export target of \$11½ billion. Canadian exports for 1967 were \$11.4 billion - more than \$1 billion above the \$10.3-billion level achieved in 1966.

The 11 percent increase was in line with the export growth trend of the previous five years, and was particularly creditable in light of an early year slowdown in the U.S. economy and the slower tempo of activity in Europe.

Canadian imports also rose in 1967 - by some eight per cent - but the even sharper rise in exports resulted in an increase in our trade surplus from \$¼ billion to more than \$½ billion.

This year's export target of \$12.3 billion calls for a further \$900-million increase over 1967. While a little less than the actual increase achieved last year, this nevertheless presents a tough challenge to Canadian exporters.

A major positive factor in the outlook is increased business tempo compared to a year ago in both the United States and Germany.

On the other hand, the Japanese economy, though still moving ahead, is losing some of its momentum. We cannot reasonably expect to duplicate last year's huge 40 percent increase in our exports to that market.

Devaluation has meant stiffer competition in Britain, here and elsewhere for Canadian products that compete with goods made in Britain or in other countries which devalued. However, the bulk of our products sold in Britain have not been adversely affected by devaluation. Thus, total exports to Britain may hold close to the levels which have prevailed since 1964.

Cross-border trade in automotive products continues to expand but the growth in exports this year will likely be much less than the \$³/₄-billion increase of 1967.

Wheat sales weakened markedly in the latter part of 1967 and sales will be no higher and, in fact, may be lower this year. I anticipate sales of between 350 and 400 million bushels, but it will take hard selling and some favourable circumstances to enable the Wheat Board to achieve the 400-million-bushel figure. Recently, however, there are signs of a healthier market, and we are pushing against all doors.

On the positive side, exports of forest, metal and mineral products as a whole should show good increases this year.

However, it is clear that, if we are to meet the \$12.3-billion target, we are going to have to continue to make major gains in exports of manufactured goods. And this is going to require a quick and vigorous response to Kennedy Round opportunities, as well as strong efforts to contain the still-persisting upward pressures on costs and prices.

Trade-Promotion Programmes

This subject is on the agenda for discussion later this morning. Since we are approaching the start of a new fiscal year with a recently revised Departmental organization and with fresh infusions of funds to carry out our trade-promotion programmes, I should like to highlight for you briefly something of the major thrust of our promotion plan for 1968.

Financing and Aid

One area in which we are making particular efforts to improve and streamline our operation is in our facilities to provide financing and our activities related to external aid. The existing Financing and Aid Division has been transferred to the Trade Promotion wing of the Department and has been expanded to the status of a branch reporting directly to the Assistant Deputy Minister (Trade Promotion).

As you know, a detailed review is now being carried out, with the assistance of Mr. J. Douglas Gibson, of the availability, cost, terms and conditions of financing from official and private sources in support of export. We anticipate the need to make certain amendments to the Export Credits Insurance Act and to introduce other measures to ensure that Canadian exporters are supported by adequate and competitive financing facilities. We have very much in mind the broad range of trade-promotional measures, including new financial supports, at present being contemplated in the United States.

Our officials were authorized recently to take the initiative in bringing foreign-investment opportunities to the attention of Canadian firms where this appears to be in the national interest and to provide assistance as necessary. We are, in addition, exploring a number of new techniques to

encourage Canadian private investment in developing countries, including a facility to insure such business against certain non-commercial risks not encountered in domestic investment.

Work With Associations

During 1968, our promotional efforts will be concentrated more than ever before on a close integration of Departmental interests with export committees of trade associations. This, of course, will not be at the expense of our continuing service to individual firms.

As you know, our efforts to encourage industries to set up export committees - a recommendation of this Council - have met with considerable success. As of the first of this month, 27 new export committees are being formed following on the letter I wrote to all major trade associations. This is in addition to the 30 associations already organized for export.

Our work with associations will concentrate on: Providing a focal point for transmitting information to the largest number of firms in specific manufacturing sectors; making more firms aware of new export opportunities, particularly in the U.S. market; encouraging trade associations to formulate their own export-promotion programmes, to which we can apply our own expertise and assistance.

What with our efforts to develop closer ties with industry associations and our follow-up work providing information on the Kennedy Round, we are going to have more officers "on the road" working with industry this year than ever before in our history.

Promotional Support

Last year, one of our most successful promotional ventures was Operation Export 1967. You may be interested to know that, to date, over \$22 million of new export business has been directly attributed to Operation Export, of which \$17.5 million was by exporters new to the market when the business was written. Our posts are still investigating the market for over 5,000 individual enquiries.

This year, we shall continue in other ways to develop more awareness and use of our services to exporters: The toll-free Zenith telephone arrangement, which drew thousands of calls to our regional offices in 1967, has been updated to Zenith 0-1968 and will be carried on through this year. An advertising campaign stressing the partnership of business and government in export promotion will run in major national and regional business publications. A new film depicting the role and services of the Department will be available in about a month's time for showing to business groups. A new procedure for reporting in the Department's magazine Foreign Trade, based on an examination of the priorities of Canadian trade opportunities and the need for foreign market information, has been developed. This will make the publication more effective in communicating business opportunities to Canadian exporters.

Trade Fairs and Missions

A new programme of trade-fair participation has recently been approved. Participation in 78 fairs is planned during the 18-month period from January 1968 to June 1969.

A new programme of 35 trade missions will go into effect April 1. This year's programme will strike a good balance between outgoing missions of Canadian businessmen (20) and incoming missions of foreign buyers (15). During centennial year, of course, our emphasis was primarily on the incoming type of mission.

External Services

Our plans for establishing new posts abroad, particularly in the EEC, Eastern Europe and the Pacific-rim countries, have unfortunately had to be postponed in light of the Government's recent measures to restrain expenditures. However, the work of continually improving the services of existing posts continues. The review of the role and function of our offices abroad in promoting Canadian consulting services is nearing completion. Revised guide-lines will be issued to ensure that all trade commissioners are performing the required functions in this important area. Progress is being made in developing and refining trade-promotional planning and budgeting systems adaptable to a highly decentralized foreign service organization. The application of these accepted management techniques will help ensure maximum return on the resources invested in overseas operations.

Conclusion

I have tried in a few minutes to sketch some of the current world-trade developments and something of our responses to them.

I think we have some good programmes going for us in 1968....

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/7

THE CHALLENGE OF RAPID INDUSTRIAL GROWTH

An Address by the Honourable C.M. Drury,
Minister of Industry, to the Canadian
Industrial Development Conference, Ottawa,
March 5, 1968.

...I am extremely pleased that my Department has had a part in initiating this important step towards the possible formation of an association of industrial development officers. Effective industrial development of necessity requires the joint participation of numerous professionals with a wide diversity of knowledge and broad functional responsibilities, and there are compelling reasons why those engaged in this important task should be more closely associated in their endeavours. Although my Department's Area Development Agency has done a good deal of the work on the administrative details of this conference, I understand that the idea of forming a Canadian association has been in the minds of many of you for some time.

Some areas have organized provincial or regional groups, but there has been no national organization which could serve as a clearing-house or as a country-wide forum for industrial developers from coast to coast. It is our belief that a national association, of whatever structure you may decide, could become a vital influence in assisting the performance of industrial development. It is for this reason that the Area Development Agency invited six key individuals representative of the various industrial-development disciplines to examine the feasibility of staging this conference for the purpose of discussing the establishment of such an organization.

We in the Department are grateful, and I know you are too, to those persons who have accepted the challenge of our invitation and who have agreed to act as a steering committee in convening these meetings. These committee members took time from their busy schedules to meet in Ottawa several times to plan the guide-lines and the format for these sessions so that all of you could gather here to discuss the merits of a national association.

Catalytic Role

I should make it very clear that the role of my Department in this, as in other similar endeavours, is to act only as the catalyst in crystallizing an idea to the point where those most directly concerned can carry the experiment to a practicable and workable conclusion. The fact that so many are in attendance

indicates that you are genuinely interested in the stated objective. What is decided upon here will obviously be the result of full and representative discussion and the fact that all points of view have been taken into account in establishing the principles for a new Canadian association.

It has come to be accepted in the "free world" that the aims of national policy should be directed to the attainment of certain goals, including full or nearly full employment, a high rate of economic growth, rising standards of living, an equitable sharing of national income, price stability and avoidance of inflationary pressures. Those of you who have assumed responsibility for development in the industrial sector have a direct role to play in achieving these objectives and few people would quarrel seriously with their validity, at least in general terms.

Achieving our common goal of industrial expansion is not an easy task, however, and it will never be reached in isolation. Consequently it makes sense that developers in both the private and government sectors should be combining their efforts in developing secondary industry. For manufacturing has been and will continue to be an indispensable element in the economic development of our country.

While the importance of manufacturing to Canada's growth and prosperity has been recognized since Confederation, it has been receiving increasing attention in the last two decades, both from the standpoint of growth and employment, as well as of its vital contribution to a rising standard of living.

Secondary Industry Vital

In the past, Canada was almost wholly dependent for economic growth upon the exploitation of its natural resources. Over the years, with the development of new resources such as oil, natural gas, iron ore and forest products, our production and trade in basic resource commodities has become more diversified. In addition, our processing of these commodities before shipment has steadily increased. Nevertheless, the scope for continued national economic growth solely through production and trade in primary materials is definitely limited. Furthermore, total employment continues to decline in many of the primary industry sectors. This means that there will be a continuing decline in the total population in the rural areas of our country, with a consequent explosion in urban growth. If we expect to maintain adequate opportunities for jobs and income for a rapidly expanding population, our production and export base must be broadened, and this can best be done through the expansion of an efficient secondary industry producing for world markets.

To achieve this objective will require not only a substantial increase in capital investment but a significant advance in the technological capability of Canadian industry. In this connection, it is my view that technical superiority in our manufactured products offers the best way to ensure competitiveness and to develop new markets both at home and abroad.

While Canada currently enjoys a relatively small share of world trade in manufactured goods, our exports in this category have, nonetheless, been rising rapidly. In five years, exports of end-products - ready for the market - have increased fourfold, until they now account for better than one-quarter of our foreign sales.

This development, of course, is most encouraging and it highlights the opportunities provided by the Kennedy Round results for us to enlarge considerably our share of international trade in manufactured products - the most rapidly expanding sector of world trade.

We should not, of course, forget that the rapid expansion of our population and labour force, together with a significant rise in employment and incomes, is causing the domestic market to become much more attractive to manufacturers of consumer goods.

Taken in total, these trends represent substantial changes in our business environment and opportunities for growth and development.

Diversification Trend

Although many of Canada's secondary industries remain dependent upon agriculture, mining, fishing and forestry, there has been a continuing trend toward diversification in our manufacturing activities. Specialization in more complex and sophisticated fabrication processes has led to spectacular increases in the value of factory shipments for such items as transportation equipment, machinery, electrical and electronic products and metal fabricated parts and equipment. For example, the rate of growth in production of transportation equipment has been approximately double the growth rate for the manufacturing sector as a whole.

The rapid changes in the resource sector and the increased rate of industrial growth has led to some fundamental changes in our economy. Capital investment, one of the chief determining factors in economic growth, has increased substantially in recent years. In the manufacturing sector alone, we have seen capital expenditures in new and expanded facilities grow from an annual rate of \$1.1 billion in 1958 to a mid-year estimate of \$2.6 billion in 1967. I think these statistics are significant as they highlight the need to increase the flow of investment capital into the manufacturing sector if we wish to maintain the growth trends of recent years in our economy.

In this period we have seen rapid expansion in a number of industries, but spectacular progress has been achieved in several fields which are worthy of note, since the developments concerned have involved a number of multimillion-dollar projects. I am thinking particularly of the expansion of the pulp-and-paper industry in both Eastern and Western Canada, where we have seen new facilities established in several of the Prairie Provinces for the first time, as well as diversification and expansion of activities in other provinces. The chemical, petrochemical and mineral processing industries have experienced a similar acceleration in their rates of growth.

New Industrial Complexes

This growth to which I have been referring has led to the development of new industrial complexes in the Atlantic and Prairie regions which will increase the potential for growth for many years to come. For example, recent proposals for the Strait of Canso in Cape Breton Island indicate that the area could acquire a petroleum refinery and several chemical operations to complement the existing facilities, which include a pulp-and-paper mill, a gypsum operation and a heavy-water plant. Similar examples can be found at Belledune in New Brunswick, Brandon, Manitoba, Prince Albert, Saskatchewan, and Redwater in Alberta.

There is no doubt that, in aggregate, we are experiencing unprecedented growth in terms of employment, capital investment and in total volume of manufacturing. We know, of course, that the growth has not been even and, while most areas of Canada have been enjoying a period of rapid expansion, others have only marked time or even declined in population, employment and income. Consequently, we should be aware that certain basic economic problems still persist, and we must be geared to assist those regions of the country to obtain a more equitable share of economic expansion in the future.

Canada a Major Manufacturer

In the relative short lifetime of this country, we have not only become a major producer of foodstuffs for the world, a supplier of basic raw materials - including minerals, petroleum products and wood products - but have also earned a place as a major manufacturing nation. To achieve this has required great initiative and faith on the part of the entrepreneurs and the financiers. It has required foresight and tremendous engineering skills by producers of power and by transportation companies. Senior governments have had to develop policies which would contribute to a climate conducive to the encouragement of investment in manufacturing enterprises. Municipal governments have had to undertake extensive physical planning to provide the infrastructure required for industrial expansion and for the community facilities made necessary by population growth. Since the manufacturer is an important corporate citizen, combining the roles of employer, taxpayer and producer of new wealth, most cities are now budgeting substantial sums for the fostering of industrial activities. In this regard, municipal industrial commissioners are now not just involved in the business of attracting new industries to their communities but are also deeply committed to community development in all its ramifications. The educational, social, commercial and service facilities required by the employees of sophisticated industry today put a new onus on municipal industrial-development programmes. That these participating agencies and contributing authorities need to be closely allied in their endeavours is obvious.

However, it should be remembered, too, that each of the agencies involved in industrial development usually is not acting from disinterested motives and that quite often agencies with similar motives find themselves in

competition with one another. From the point of view of the larger Canadian picture, this is not a bad thing. The greater the effort put forth, the more likely the nation is to succeed in expanding its industrial capabilities. It does mean, however, that sometimes a competing developer will have to make a broader appreciation of the situation and recognize that, although a new industry may not locate in his specific industrial site, what is good for the region or the province, or even, in some cases, for a neighbouring province, is still good in the long run for his area of responsibility.

Advantages of Proper Planning

A noted authority on industrial development has suggested that basic to the whole idea of an industrial-development programme is the premise that a dynamic and well-organized effort can bring about more industrial development of an economically-sound nature than would otherwise occur. The conception of active industrial development is based on the conviction that there is much that a country can do to remove barriers to the growth of industry. It can create positive incentives for the development of industrial technology while at the same time assisting in finding industrial opportunities, developing them and attracting the interest of those who can supply the industrial capital, equipment and skills which are needed. Thus, an industrial-development effort which is properly organized can mobilize resources, stir the imagination and the spirit of people and advance industrial expansion. The basic premise, with which I entirely agree, is that, with the proper planning and strategy, this country, its provinces and its communities, can all contribute to the growth of dynamic and viable manufacturing industries.

Federal Programmes

I might just mention in this connection that the Department of Industry has launched a number of programmes which are directed towards increasing and improving this country's manufacturing capabilities. While time does not permit me to outline all of them, I might list a few. In the field of research and development, the Programme for the Advancement of Industrial Technology (PAIT) and the Industrial Research and Development Incentives Act (IRDIA) are proving to be of great effectiveness. The Automotive Programme has injected new vigour into Canada's automotive industry, as production, employment and export figures attest. The Department has recently announced the introduction of two programmes related to the Kennedy Round decisions. The General Adjustment Assistance Programme and the Machinery Programme. The Building Equipment, Accessories and Materials Programme (BEAM) marks the beginning of another key development in the construction industry. Our Department will continue to study the needs of industry and will attempt to formulate other programmes designed to alleviate problems and increase efficiency, with respect both to production and marketing. We shall also try to represent the best interests of the manufacturing sector of the economy in developing policies which will assure its continued expansion on an efficient basis.

These are just a few of the ways in which the Federal Government seeks to encourage industrial expansion in Canada. I know provincial governments and regional-development organizations are all creating programmes to achieve this

same objective. And it is important that they should. Individually and collectively, the members of this audience must be aware of the challenges which face manufacturing in Canada and of the influence that you have in assisting industry to meet such challenges.

We are fortunate to be living in a vibrant, growing country, rich in resources and with great growth potential. Those of us in the industrial-development field, therefore, have a responsibility to ensure that our resources are utilized in the best possible manner to ensure that we keep the country economically strong and healthy. It is only in so doing that we can enhance the nation's standard of living and also protect the fundamentals of freedom of enterprise, freedom of competition and all the other economic freedoms we enjoy.

This will not happen automatically. We, as a country, must channel our enthusiasm, initiative, resources and enterprise in the right direction.

All of us have an input to make at some stage of this process. Consequently, each of you (and, I suggest, all those engaged in industrial development) has a responsibility to be well informed about the changing needs of industry, on new government programmes and on new commercial policies. People in industrial development must be able to adapt to new trends in order to exploit changing situations. There is a definite need for all of us to keep abreast of such conditions and to keep up to date on techniques and methodologies which other countries are employing in their industrial-development programmes. There is thus the continuing need to expand the competence of the industrial-development profession. In addition to that, new people must be brought into the profession and must be oriented and trained in such a manner that this important industrial-development function can be carried out at the most professional and ethical level possible.

It could be that this will be one of the vital functions of any new association, and I shall, therefore, be keenly interested in the decisions of these meetings....

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/8

NATO AND NORTH AMERICAN AIR DEFENCE

Statement to the House of Commons Standing Committee on External Affairs on March 7, 1968, by the Secretary of State for External Affairs, the Honourable Paul Martin.

...Our defence policy since the Second World War has been based on the conviction that it is in Canada's interest to make a responsible contribution to collective security. Our hope in the immediate postwar period was that our security and that of other nations in the world could be assured by the United Nations, and we regrettably know that this hope has been frustrated. Even though we have been obliged to develop regional arrangements to assure our national security, we continue to regard these arrangements as transitory, essential though they are, I think, for the foreseeable future.

By these arrangements I mean, of course, NATO and, depending on negotiations that have not terminated, NORAD. But we share the hope that the day will come when we can, with confidence, entrust our security to the United Nations.

Meanwhile, we are making efforts to develop to the maximum degree feasible at this time the capacity of the United Nations to keep the peace, and Canada stands ready to contribute to United Nations peacekeeping operations where conditions are appropriate. I think that our force structure enables us to contribute effectively to future peacekeeping operations, should these be needed.

Now, there are some in Canada who, I know, very sincerely hold the view that Canada should concentrate exclusively on this peacekeeping role. As Minister of External Affairs, I must be realistic and, while I can well sympathize with this aspiration, I cannot agree with it. At the present moment, the United Nations requirement for peacekeeping forces is limited. Our efforts and those of like-minded countries at the United Nations to increase the United Nations' role in the field are, I say, regrettably making slow progress and there are no immediate prospects that the United Nations' peacekeeping capacity or role will be substantially increased. This is not because Canada and some other countries have not tried valiantly over the past three years to seek a more general agreement in the United Nations in this area.

Now it is argued sometimes that our role in NATO and NORAD has in some way diminished our acceptability as a peacemaker. In my view, there is no reason to doubt that a continuing role in peace-keeping is compatible with our participation in collective defence arrangements. As a country desiring to make a responsible contribution to the maintenance of peace, it is desirable that we continue to make a contribution to regional defence arrangements genuinely devoted to the maintenance of peace.

The key to our collective defence arrangements is NATO. I recognize that, at this time, when there has been significant improvement in East-West relations and, I believe, hope of still further improvement, there are some who argue that NATO is no longer needed or even that it is a hindrance to the development of improved East-West relations. In my judgment it is a sign of the success of the alliance that we can indulge freely in such speculations.

These are questions that are being asked not only in this country but in most countries of the NATO group. NATO foreign ministers decided, as a result, in December of 1966, to commission a study of the future tasks of the alliance. This was an adaptation of a proposal put forward by Canada in 1964. The study was completed and the results were approved by ministers at the last December ministerial meeting in Brussels. I would like to read several paragraphs from the conclusions of this study, which were agreed to by all members of the alliance:

"The Atlantic alliance has two main functions. Its first is to maintain an adequate military strength and political solidarity to deter aggression and other forms of pressure and to defend the territory of member countries if aggression should occur. Since its inception, the alliance has successfully fulfilled this task. But the possibility of a crisis cannot be excluded as long as the central political issues in Europe, first and foremost the German question, remain unsolved. Moreover, the situation of instability and uncertainty still precludes a balanced reduction of military forces. Under these conditions, the allies will maintain, as necessary, a suitable military capability to assure the balance of forces, thereby creating a climate of stability, security and confidence.

"In this climate, the alliance can carry out its second function - to pursue the search for progress towards a more stable relationship, in which the underlying political issues can be resolved. Military security and a policy of détente are not contradictory but complementary. Collective defence is a stabilizing factor in world politics. It is the necessary condition for effective policies directed towards a greater relaxation of tensions. The way to peace and stability in Europe rests, in particular, on the use of the alliance constructively in the interest of détente. The participation of the Soviet Union and the United States will be necessary to achieve a settlement of the political problems in Europe."

I wish to emphasize that this statement was approved by the foreign ministers of all of the 15 countries in NATO. I think this is a convincing demonstration that the 15 members of the Organization are agreed that the alliance is not only a force in maintaining stability in Europe but that it is committed to active involvement in the continued search for peace.

I would report, moreover, that the allies took encouragement from developments in the Soviet world. Here is what they had to say in this study:

"No peaceful order in Europe is possible without a major effort by all concerned. The evolution of Soviet and East European policies gives ground for hope that those governments may eventually come to recognize the advantages to them of collaborating in working towards a peaceful settlement. But no final and stable settlement is possible without a solution of a number of questions, and particularly the German question, which lies at the heart of present tensions in Europe. Any such settlement must end the unnatural barriers between Eastern and Western Europe, which are most clearly and cruelly manifested in the division of Germany.

"Accordingly, the allies are resolved to direct their energies to this purpose by realistic measures designed to further a détente in East-West relations. The relaxation of tensions is not the final goal but is part of a long-term process to promote better relations and to foster a settlement. The ultimate political purpose of the alliance is to achieve a just and lasting peaceful order in Europe accompanied by appropriate security guarantees."

In these two statements it is clear that there has been a shift of emphasis on the political role of the alliance as an instrument for bringing about détente and a continuing recognition of the importance of the military capacity, particularly, if I may add, in the light of additional military strengths taken on by the Soviet Union in the level of its military appropriations.

Now the study which was initiated by the Foreign Minister of Belgium and from which I have quoted certain excerpts concluded that the alliance continues to be a vigorous Organization which is constantly adapting itself to changing conditions. In our judgment, it has shown its capacity to grow and adapt to the evolution in relations between the countries of Europe and North America, yet it has remained an essential link between Europe and North America. This is a very important consideration for Canada. The alliance has also made it possible for its smaller members to participate effectively in the dialogue with the Soviet Union. And it has provided, until the present, the only effective defence association linking the larger and smaller countries of Western Europe and enabling them to co-operate in a massive defence effort without arousing fears of one another.

For Canada, in particular, the link between North America and Europe which NATO represents, and the consequent involvement in wider Atlantic affairs which it affords, has been beneficial. It has provided an important extra-continental partnership to balance our close bilateral relations with the United States. It has facilitated the development of vastly increased political and

economic relations with the countries of Western Europe, the world's fastest-growing region during the last decade.

Paradoxically, it is Europe's prosperity which has encouraged people in Canada to argue that Canada can now safely withdraw forces from Europe and make our future contribution to NATO from Canada. We must not ignore the relationship between our contribution of forces to the security of Europe and the continuing importance in our national life of maintaining the strongest possible connections with individual European countries. Our military contribution is now relatively much less important than it was when the European nations were weak. But it is still part of the collective effort. It is important not only as a demonstration of our continuing commitment to the alliance but as a contribution to European stability which vitally concerns us, and the preservation of which is vital to the preservation of peace. In this situation, the Government sees no alternative at the present time to Canada's continuing to make an appropriate contribution to NATO's forces in Europe. The acceptance by the countries of Western Europe of our participation in their councils rests essentially on the modest but effective military contribution we make to the security of Europe, which in turn represents an important contribution to our own self defence.

The principal threat to North America, however, now and for the foreseeable future, as I am sure my colleague, the Minister of National Defence, has already explained, comes from the growing Soviet arsenal of intercontinental ballistic missiles. Defence against these ICBMs is both technically difficult and enormously expensive, but some progress in missile defence has been achieved in recent years. Members of the Committee will be aware that the United States has recently announced its intention to deploy what it calls a "thin" ABM system directed against China.

The position of the Canadian Government on the proposed missile defence system was stated by the Prime Minister on September 22 at a press conference in these terms, and I quote:

"We have no intention at this time of taking part in any such ABM system."

That is, the "thin" ABM system which was announced by the United States at that time. He went on:

"Naturally, we are keeping the matter under careful review. We do not wish to commit the Government to any particular course of action in the future as to what might be the best solution to the security problem that Canada will face."

While the principal danger to North America comes from the ICBMs, there is also, as the Minister of National Defence has pointed out, a substantial threat from manned bombers. The existing Soviet long-range bomber fleet is not large and it is assumed the number will diminish somewhat over the next decade. But nevertheless it continues to be there, and continues to be a substantial threat. In spite of this diminishing trend, these bombers will continue to pose a serious threat to North America throughout the next decade.

Given this situation, the Government believes it would be irresponsible to ignore such a threat, particularly when it is technically and financially practical to defend against it. For these reasons, the Government will, of course, have to continue to co-operate with the United States in the defence of the continent against bombers.

There are those who would like to think that, by keeping to ourselves, we in Canada could avoid both becoming a target in our own right and being involved in an attack on the United States. Apart from any obligation we might feel to contribute to the defence of North America, this view ignores the fact that Canada is located geographically along the main path which any Soviet - and indeed Chinese - attack against the United States would be likely to follow. Even if there was no intention of attacking Canada, there would always be the possibility that an accident or miscalculation would result in nuclear weapons coming down on Canadian territory, as well as the danger from fall-out resulting from nuclear explosions over targets in the United States.

Apart from this, it is difficult to imagine that in attacking the United States an enemy would allow Canada to remain as a willing - or even unwilling - asylum for the United States population as well as a reservoir of food, arms, electric power and industrial capacity.

We cannot prudently do otherwise than assume that a potential attacker would expect Canada to be sympathetic to the United States and thus likely, in the event (God forbid) of a nuclear attack, to lend assistance if we were capable of doing so. He would never believe he could ignore this possibility, and I think he would be right. Now I must say that my own view is that the dangers of aggressive war are remote (perhaps one could say unlikely), but no government is worthy of the trust given to it by the people of the country which it serves if it does not realistically examine the situation in the world in which it finds itself, and we have had within the last six months at least one situation that must have caused any government to realize that there are some precautions that it must take in its own security interests.

There are, of course, several ways in which Canada could play a useful part in North American air-defence arrangements. One possibility would be for us to provide from our own resources the portion of the continental air-defence system which needs to be located in Canada. This would be a very large portion of the whole and would necessitate an outlay of financial and personal resources which we believe to be beyond our capacity.

Another possibility would be to leave the entire burden for North American bomber defence to the United States, but give them unlimited access to Canadian air-space and Canadian bases for both training and operational purposes. This would keep the cost to Canada to a minimum but it would tend to erode our sovereignty as well as any influence we could otherwise have on the development of air-defence policies - policies which would inevitably have a significant impact on us.

A third possibility is to share the task of North American bomber defence with the United States on an appropriate basis. This co-operative approach is the one which has been followed in all our defence relations with the United States since the beginning of the Second World War, and, in the view

of the Government, is the one which makes the most sense as far as continental air defence is concerned, given the disadvantages of the other alternatives.

I would just like to say by way of parenthesis at this point that the arrangements for continental defence made between the Government of Canada through the Department of National Defence and its opposite number in the Government of the United States are not part of the NORAD structure. The NORAD structure does not involve a commitment of Canadian resources. It involves simply participation in a common command structure and in the planning process.

To preserve basic Canadian interests while participating in joint defence activities with a partner as powerful as the United States, it has been necessary to develop certain principles to govern our approach to specific problems. Over the years there has been mutual understanding that co-operative defence projects in either country should:

- (a) be agreed to by both Governments;
- (b) confer no permanent rights or status upon either country and should be without prejudice to the sovereignty of either country;
- (c) be without impairment to the control of either country over all activities in its territory.

In addition to these three principles, it has been found that, for a variety of reasons, the actual provision of the necessary manpower and equipment can best be handled through individual national contributions made on an ad hoc basis as requirements are defined.

Of course, if forces from the two countries are to be employed, it is essential to have satisfactory arrangements to ensure that they can be effectively utilized in time of need. One way of doing this is to co-ordinate respective national command and control elements. This formula was employed in the North American aid-defence field prior to 1958 but it was found to be inadequate in circumstances where an immediate reaction to minimum warning of attack is essential.

If co-operation between the air-defence forces of both countries is to be effective, it is necessary to have a single air-defence plan, previously approved by the national authorities of the two countries, and an integrated command and control system. For the past ten years these requirements have been satisfactorily met by NORAD. We ourselves are now in the process of negotiation and consideration of this matter.

One of the major advantages of the NORAD arrangement, which was entered into by the previous Administration in the summer of 1958, apart from making the most effective use of the available air-defence forces of both countries, has been the opportunity it has provided for Canada to play a role in the formulation of continental air-defence policy. Canada has provided the Deputy Commander in Chief and senior operations officers in the NORAD headquarters,

as well as the Commander of the Northern NORAD Region and the Commanders of two NORAD divisions, including one in the United States. Plans are jointly drawn up by officers of the two countries and must be approved by both Canadian and United States authorities. United States thinking naturally plays a major part, but it is not by any means exclusive. The authority of the Commander in Chief NORAD in all respects is jointly determined by the two Governments. It is also perhaps worth noting again that the NORAD system is exclusively defensive in nature and cannot possibly be used for any purpose apart from the defence of North America.

The NORAD Agreement will lapse on May 12 unless it is renewed. The Government is currently, as I said a moment ago, giving careful consideration to this Agreement.

To the United States, partnership for the defence of our respective homelands is an important manifestation of the basic friendship between the two countries, which enables us to speak frankly and to differ with the United States in other areas where such vital interests are not at stake. If we are seen to be doing our part in the defence of this continent, we are in a stronger position to express our views on other issues where we may disagree. In summary, I would like to make the following points. Canada is involved in a threat to this continent from manned bombers which no responsible government can ignore. In this situation, there are three choices open to us:

(a) We could accept responsibility for providing all of the facilities and undertake all of the activities required in Canada for effective continental bomber defence. In our judgment this is beyond the financial capacity of this country.

(b) We could permit the United States to assume controlling responsibility for the entire task both in the United States and Canada. This would involve a surrender of sovereignty which this Government is not prepared to contemplate.

(c) We can share the task of continental defence on an appropriate basis.

This third choice provides for effective defence within our means, while fully protecting Canadian sovereignty. The NORAD arrangement is based on the principle of shared responsibility for continental air defence, but by itself renewal of the Agreement would not be a commitment of specific forces and equipment.

As I said earlier:

"This is achieved through ad hoc arrangements between the two Governments as the need arises."

Based upon what I would think anyone would agree to was an elementary principle - namely, that in our own defence interests we have to have arrangements made with our neighbour for continental defence and the defence of our own country.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/9

VIETNAM

Excerpt from a Statement by the Honourable Paul Martin, Secretary of State for External Affairs, in the House of Commons on March 18, 1968.

...There can be no differences of opinion about the urgency of the need to help bring this terrible ordeal to an end. We believe the only way to do so is through negotiations that are directed toward the establishment of a durable and stable settlement which both sides can accept and live with.

The immediate problem continues to be what it has been for some time; it is as simple to formulate as it has proven difficult to solve in practice. It is the problem of how to get the negotiations started and how to establish a sufficient measure of confidence between the two sides to enable them to sit down together and start discussing the basic political issues at stake in Vietnam, instead of bringing their military weight to bear on them. This is the aspect of the problem to which the Government has directed the highest priority and urgency. It has seemed to us that a country such as Canada, which has had prolonged experience with the problems of that country and which has ready access to both sides, might well be able to help bridge the gap between the battlefield and the conference room.

No third party, of course, can compel the two sides to change their positions and policies in order to take certain actions or refrain from others. The most we can hope to do is encourage the two sides to reconsider their positions, to clarify ambiguities and to see, in this process of discussion and examination, whether any element of common ground exists.

In my view, there have recently been three major developments which have had a bearing on the diplomatic and military impasse which we face at the moment. I refer to the formulation of the position of the United States by the President at San Antonio on September 29 last, to the formulation of the North Vietnamese position by the Foreign Minister of that country on December 29 and, finally, to the activities on the ground in South Vietnam over the past few weeks. Although separated by a matter of months, these events must be looked at together as essential components in the existing problem.

There is no doubt in my mind, and in that of the Government, that the bombing of North Vietnam is a key factor in the total equation for the de-escalation

of the conflict. In the San Antonio statement of last September, the President of the United States announced a new United States approach to the cessation of bombing. He said that the United States would be prepared to stop the bombing if this would lead promptly to productive talks, on the assumption that North Vietnam would not take advantage of this significant measure of restraint on the U.S.A. side to increase its relative military strength in the South. The President's position evidently was formulated to avoid a situation in which, with the bombing stopped and the talks proceeding, the other side would be able to exert renewed and unimpeded military pressure on the ground in the South if the talks did not progress to their liking.

In setting out this approach the President had not abandoned his earlier insistence on the other side making some contribution toward bringing about military de-escalation. He did, however, present it in a flexible way which it was hoped might make it easier for Hanoi to make a gesture toward meeting this requirement without totally abandoning their forces in the South. As I understand the situation, this continues to be the basic position of the United States.

Turning to Hanoi's position, it appeared that some degree of change had taken place there too. In the past, one of the problems has been that Hanoi, for whatever reason, had been unwilling to commit itself publicly to anything more than a demand that the United States stop bombing North Vietnam, and unwilling to give a firm commitment on whether or not this would be a first step toward a negotiated peace. In an interview in January 1967, the North Vietnamese Foreign Minister said that talks "could" take place if the bombing stopped. Speaking at a reception at Hanoi in December, almost a year later, he said that talks "will" take place once United States attacks on North Vietnam had stopped.

At the turn of the year, then, it seemed to us that, while the positions of the two sides remained some distance apart, there were signs of change which deserved further attention. Accordingly, I instructed our Commissioner in Vietnam, Mr. O.W. Dier, to proceed to Hanoi to deliver a letter from me on behalf of the Government to the North Vietnamese Foreign Minister, seeking confirmation and clarification of his year-end statement. I also reaffirmed the importance Canada has attached to the International Commission as an agency which could make a useful contribution to the establishment and maintenance of some element of confidence between the two sides while talks were in progress. In issuing these instructions to our Commissioner, I hoped it might be possible to find some way of bridging the remaining gap between the San Antonio formula and the formula outlined by the Foreign Minister for Vietnam in his year-end statement.

The United States had said that the bombing could be stopped in return for an undertaking to talk, plus the exercise of military restraint by the North, while the North had said that talks would follow the cessation of bombing. What I had hoped might be possible was a further modification of positions and agreement by both sides whereby the International Commission might reassert its legitimate presence at key points, such as the Demilitarized Zone, to facilitate the exercise of restraint by both sides in terms of military activities around these key points and areas. If both sides were agreed that a Commission presence of this character would be useful, this could be brought about without any change in the Commission's mandate or without either side openly declaring that it would not do something or that it would do something else. In other words, the Commission by its very presence, rather than by the exercise of force, could exert a restraining influence.

I very much regret having to report to the House that the reply I have received from the Foreign Minister of North Vietnam, together with Mr. Dier's report on their discussions, does not suggest much flexibility in Hanoi's attitude toward factors, other than the cessation of bombing of the North, which clearly have to be taken into account if there is to be any realistic hope that ensuing talks are to have any purpose and meaning.

Speaking before the United Nations General Assembly last September, I urged that the bombing be stopped as a matter of first priority in the search for peace. I saw this, and I urged that it could be considered, not as a sure-fire formula for instant peace but as a deliberate and calculated risk. To break out of the impasse prevailing at that time it seemed to me that the United States might make the first significant move, not as a prelude to capitulation but as a gesture which might encourage the other side to respond in kind, as indeed the North will have to do. It might then be possible for other countries, in the new circumstances which would then prevail, to mobilize pressure for corresponding concessions by the North.

I believe that that was a sensible position to take and one which seemed to me to correspond to the facts as we knew them. I still believe that the bombing will have to be stopped as a matter of first priority, since I think it will be impossible for North Vietnam to appear to be responding to military pressure. All the information we have received from Canadian soundings, and from sources other than our own contacts in Hanoi, only serves to convince me of the validity of this view.

Whether future soundings and exploratory discussions will prove that some form of bargain can be struck I cannot predict. For the moment, the available evidence is clear about the significance to be attached, from the point of view of North Vietnam, to a cessation of the bombing of North Vietnam. But if the refusal of North Vietnam to appear to respond more flexibly under continuing military duress is clear, it is no less important to bear in mind the difficulty that would be faced by the United States in modifying its requirements as a direct result of the other side's spectacular military thrusts.

If the United States was not prepared to take the calculated risk we and others urged them to take at the time when the pattern of military activity on the ground was more or less constant, one cannot be too hopeful about fresh initiatives at this particular moment, but the urgent necessity to break through the stalemate on negotiations has not lessened.

There is one potential danger which must be recognized. If talks are entered into with some hope of reaching agreement and are then broken off under the pressure of one side or the other attempting to score a point by a sudden and suicidal military push, it would be all the more difficult to get them started again. A situation such as this could also be an open invitation to further escalation. This would be regrettable.

Despite the clarification which appears to have taken place in respect of the formally-stated positions of the two sides, the immediate prospects for negotiations can scarcely be described as encouraging, though we do not take this as any reason why we should not persist, as other countries are doing, in trying to encourage negotiations which might lead to peace. It is true

that both sides are now firmly committed to a willingness to negotiate, but I am afraid that this does not carry us very far forward, as is tragically apparent by the unbroken continuation of the hostilities.

Both sides seem to envisage rather different objectives for the talks that are to follow a cessation of bombing. For the North, the objective is to bring about the total and early withdrawal of the United States from Vietnam. For the United States, the objective is to secure South Vietnam from Northern military pressure, so that political change can come about peacefully and through the exercise of free choice. Each side is well aware of the other's objectives, which at the moment seem mutually incompatible.

Hanoi seems to see an unreciprocated cessation of the bombing not only as a necessary pre-condition to undertaking talks but as a gesture by the United States symbolizing the beginning of the process of total cessation of all American military action in the South - and, indeed, total withdrawal from the scene.

We know the conditions which were laid down by the United States at the Manila conference with regard to its intention to withdraw after six months, given the existence of certain conditions.

For their part, the United States and South Vietnam have insisted on some measure of military restraint being exercised by the North - once again, not as a final answer to the problem but as representing a North Vietnamese realization that its military objectives cannot be met, and that its objectives cannot be met by military means.

We must maintain the Commission presence in Vietnam. This is first of all our international obligation, and we must be alive to any possible move which will help find a way out of the present impasse. This is our political obligation. The Government accepts these obligations and, as it has done in the past, it will continue to play an active role in any search for peace in Vietnam.

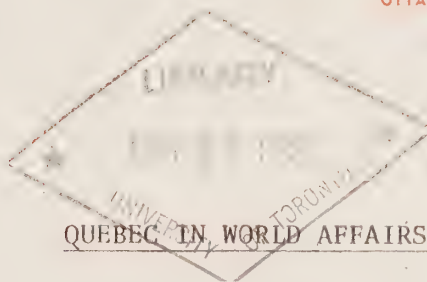
The immediate problem remains what it has been - how to get negotiations started. I reiterate that this is a matter of the greatest urgency and that a cessation of the bombing will clearly have a key significance in moving the problem in that direction. But the intractability of the problem is demonstrated by the fact that the bombing has not been halted, that military restraint is not being shown and that talks have not been entered into. This suggests that future efforts to narrow the gap between the two sides may have to be directed to matters of political substance as well as to the terms and conditions for a beginning of talks. We are urgently examining this aspect of the matter at this particular moment.

I have never believed that stalemate and rigidity are adequate grounds for a "do-nothing" posture and abandoning all efforts because past endeavours have proved unrewarding.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/10

QUEBEC IN WORLD AFFAIRS - MYTH OR REALITY?

Speech by Mr. Marcel Cadieux, Under Secretary of
State for External Affairs, to the Annual Meeting
of the Club des Relations internationales,
University of Montreal, March 2, 1968

... Quebec's presence on the world scene is, I believe, not merely a fact; it is an obvious fact. That Quebec must be more active on that scene also appears obvious to me. The real problem is how Quebec is to play its role in the world: alone, by and for itself, or as one element in Canada's representation. In other words, are Quebec's activities abroad to be separate from Canada's or are they to be Canadian?

The problem is basically the same at home and abroad, and amounts to this: is a Quebecker a Canadian as well, or are the two loyalties mutually exclusive? If the answer to the latter question is yes, then, obviously, no compromise is possible. If not, then I think there is every possibility that an accommodation can be worked out.

But let us define our terms: when we say "Quebecker", we mean a person living in the Province of Quebec. We do not mean "French-Canadian". Certainly, 85 per cent of the Quebeckers are French-Canadians, but there are almost one million French-Canadians living elsewhere in Canada, mainly in Ontario, New Brunswick and Manitoba. Bearing this in mind, it remains a fact nevertheless, that Quebec is, to employ a familiar phrase, the "homeland of French-Canadians". But this does not mean that the Quebec government is the only one with an obligation to promote and protect the interests of French-Canadians.

By the time the federal-provincial conference last February had ended, it was clear that the warnings and recommendations of the Dunton-Laurendeau Commission had been understood by the majority of the other provinces and by the Federal Government. Doubtless their motives were not entirely magnanimous; they realized that, if the country was to survive as a unit, equal status had to be given to the French and English languages and cultures. While this reasoning is not entirely selfless, it does show clear recognition of their vested interests. How many world crises and problems could be settled by this kind of approach! Let us examine, if you will, this area of clearly-recognized interests and ask ourselves one question: what is the interest of French-Canadians and Quebeckers in the field of foreign relations?

We all know, and the papers constantly remind us, as they echo the statements of politicians in Quebec and Ottawa, that it is essential for the survival of the French language and culture in Canada that Quebec play a part in the world's French-speaking community, that it strengthen its ties with the French-speaking nations of the world, and with France in particular. I am struck by the fact that, not only does everyone agree on this but both the Federal Government and the provincial governments are taking positive and effective steps to carry out this purpose. To some commentators it even seems as if the governments are attempting to outdo one another. Even if we accept this interpretation, which I do not, what does it prove? Simply that the Canadian Government considers it as much its duty as Quebec's to maintain the closest possible ties with the French-speaking world. In short, there is no difference in this area between the goals of Quebec and Ottawa, both of which are seeking closer contacts with the French-speaking community in order to assist in the development of French culture at home and to make our version of this culture known abroad. But it makes a difference whether this policy is conducted by Quebec or Ottawa. If conducted by Quebec, it will to some extent serve the interests of Quebecers, but only their interests. If it is undertaken on a broader base by the Canadian Government, it can serve the interests not only of Quebecers but also of the French-speaking people of Ontario, Manitoba and New Brunswick, not to mention those English Canadians who are willing to accept the "French fact". But there is an even more serious consideration; if that part of Canada's foreign policy which is concerned with our relations with the French-speaking world became the monopoly of the Province of Quebec, the tendency people have to identify Quebec with French Canada would become that much stronger, at the very time (and this is the supreme paradox) when the "French fact" has finally acquired its rights in the other provinces. In other words, at the very moment when the rest of Canada is discovering that it has a real interest in French culture, and when the French minorities in the other provinces can hope to breathe more easily and, so to speak, in French, Quebec, by insisting that it is the sole genuine representative of French Canada on the international level, risks undoing what is now finally, after 100 years, being accomplished in our country to realize an objective which has always been uppermost for Quebecers. Instead of working for the diffusion of the French language, Quebec may succeed, perhaps unintentionally, in helping to restrict it. It is, in fact, obvious that, if we accept the idea that French Canada is Quebec, by the same token we must accept the idea that the rest of Canada is English. In short, I see a danger that, if we accept the premise that only Quebec is logically entitled to represent French Canada in the world French-speaking community, then we must accept the conclusion that what is not part of Quebec may be excluded from this French-speaking community. By doing this we should isolate Quebec from the rest of the country, deprive French-Canadians outside Quebec of the right to be French, and discourage those English-speaking Canadians who are willing to accept French culture.

If, on the contrary, we accept the fact that in foreign countries it is the voice of Canada that is to be heard, if we accept the idea that it is the Government of Canada which is to make formal commitments on behalf of the whole country, then, if this voice is to be heard in a French-speaking environment, we automatically accept the idea that it will be a French voice. In view of the demographic and political situation in Canada, this voice, if it is to ring true, must have an accent that English-speaking Canadians can recognize without difficulty. There is no reason why a Canadian delegation to a meeting of the French-speaking community could not include, besides Quebecers, French-Canadians from other provinces, and perhaps even a few English Canadians. Obviously, such a

practice would permit Quebec's voice to be heard on the world scene; but it would also give another dimension to Canada's French voice, which could thus reach beyond Quebec's borders and, at the same time, assist in its development both in this country and abroad.

If, as I hope, I have shown that the clear interests and ideals of Quebecers, French-Canadians and all other Canadians are more accurately reflected in the international French-speaking community by French-oriented federal action than by exclusively provincial and necessarily more restricted action, it goes without saying that, in those fields that do not relate exclusively to the French-speaking community, Quebec's interests must also be served within a Canadian context. In saying this, I may appear to be tilting at windmills, inasmuch as no one, to my knowledge, is contesting the Federal Government's jurisdiction in external policy; the only fields where there is, in fact, any disagreement are those relating to the French-speaking community and those under provincial jurisdiction. But it is essential, in my opinion, to distinguish very clearly between Canada's internal and external relations. Within our borders, there is no hierarchy among the various governments. We have a central government which has jurisdiction in certain fields; and we have provincial governments which have jurisdiction in certain other fields. Our constitution (or what passes for one, the British North America Act) was written 100 years ago and naturally contains a certain number of vague points that must be clarified in the light of modern reality. On this, the Prime Minister and the provincial premiers agreed at the federal-provincial conference that took place early in February. Whatever changes they may make to the constitution, jurisdiction in internal matters will remain divided between the Federal Government and the provinces. Education, for instance, is clearly within the competence of the provinces, while national defence is a federal responsibility. Thus, each government, whether federal or provincial, is completely sovereign in its own field.

We are so used to this situation that the division of powers between the Federal Government and the provincial governments seems quite normal - as, indeed, it is in domestic matters. At the international level, however, the situation is quite different. As seen from abroad, Canada, like all countries, whether federal or unitary, is a single entity and international law is not concerned with whether this agreement or that convention falls within federal or provincial jurisdiction. In international law, there is only one Canada possessing international personality and it is the Federal Government which represents this Canada. There could no more be any question of a sovereign country or international organization signing a treaty with a province of Canada than of that country or body signing an international agreement with the Canton of Berne in Switzerland, Croatia in Yugoslavia or the State of Massachusetts in the United States. This rule of international sovereignty, which was not invented by Canada, derives from international law, international usage and plain good sense. Under this rule, therefore, each federal state must settle within its borders the problem of how each of its component parts is to obtain the benefits which accrue from contacts and relations with foreign countries and international bodies. In almost all federal states, the central government has maintained exclusive control over international relations. In Canada, we have acted differently; the central government has long had a flexible policy in the field of external relations. You will not see a

"Valais House" or find representatives of a German land or Mexican state in Montreal, Toronto or Vancouver. There have, however, been delegations from Quebec, Ontario and the Maritimes in London for many years. There are provincial representatives in New York and many other American cities. Quebec also has a delegation-general in Paris, and another in Milan; and this list is by no means exhaustive. Some of these provincial delegations abroad have been in existence for many years, and their existence has never posed any problems or caused the Federal Government to object. Yet they concern themselves with a host of matters that could be considered rather directly connected with international relations. Anything, in fact, can be considered as coming under the heading of international politics and anything can, moreover, change its nature under certain conditions and become highly political. That is why, for example, commercial or cultural relations with a friendly country are not in themselves political matters. But if the same type of relations are established with other countries, the case may be quite different. Recall, if you will, the uproar caused by the sale of trucks to Cuba by France and Britain a few years ago. Imagine the reaction in certain countries if Canada or one of its provinces decided to negotiate a cultural agreement with Communist China. In any case, these provincial houses or delegations in other countries have concerned themselves for years with tourism, immigration, trade, teacher exchanges, investment, etc. - all matters that may serve the interests of the provinces concerned and come within provincial jurisdiction.

No problems arose, since these provincial delegations did not claim to be embassies or consulates. These provinces were successfully engaged in promoting their own special interests. The Federal Government has encouraged, and continues to encourage, the international activities undertaken by the provinces to promote their own interests in matters within their jurisdiction. This is a reasonable approach; yet very few federal countries allow such freedom of action on the international scene to their provinces. Such an arrangement does not and should not create any conflict between the Federal Government and the provincial governments as long as both respect the basic principle that, on the international plane, there is only one Canada. Basically, what this means in practice is that only representatives of the central government may represent the country in its dealings with other countries or on international organizations and that only the representatives of the central government may sign international agreements. Essentially, this is all a question of procedure, and heaven knows how important procedure is in diplomacy.

In substance, Quebec loses nothing in respecting this procedure; on the contrary, it is in Quebec's interest to play a role both on the world scene and in Canada - to play its part in the French-speaking community of the world, benefiting from the cultural enrichment which it may derive from exchanges, and also to play its part in the national life of Canada. There would, of course, be a conflict between these two aims if the Federal Government opposed the movement toward closer relations with the French-speaking community. But the fact is that Canada is becoming bilingual; it is opening its doors to French culture. Quebec was isolated for many years. This is no longer true. From now on other provinces are going to be bilingual and therefore increasingly interested in the French-speaking world, as has been the case for some time now with the governments at Ottawa and Quebec. What was once a dream can now become a reality. It is this

reality which must be developed and reflected abroad. By working in co-operation with the Federal Government, Quebec gains in two ways: first, by ensuring its contacts with the world French-speaking community just as though Quebec itself had dealt with these countries directly; secondly, by helping to develop the French fact in Canada in association with other provincial governments and with the Federal Government.

You may, perhaps, be familiar with the document entitled Federalism and International Relations. From the legal point of view, this paper makes a number of clear-cut statements. Indeed it asserts, and supports the assertion with evidence, that only the federal authorities may represent a federal state in its relations with other states. I repeat that this is true for all federal states and that the Canadian federal system is as flexible in its attitude toward the provinces as any. However, in the manner in which it recommends that this federal control be applied, this document is very broad and flexible. The document, in fact, opens the way to all possible forms of co-operation with the provinces and allows them full scope in this area, on the condition that a certain form of procedure or, better still, a certain attitude, be respected.

I mentioned a moment ago certain provincial delegations abroad which were set up with the approval and co-operation of the Federal Government. It was also the Federal Government that authorized the cultural exchange between France and Quebec. This exchange was negotiated directly between Quebec and France but, following the usual practice, before it was initialled, federal approval was given in a diplomatic note to the French Government. Why should it be otherwise? In substance, this agreement benefits Quebec and, by the same token, Canada. In form, the result would have been the same if Quebec had signed the agreement itself, but with this difference - it would have been contrary to practice and to international law and, above all, the signing would then have had solely provincial, rather than national, significance. By initialling the exchange of notes, the Federal Government signified its approval of the policy of closer relations between France and Quebec, which, of course, was and still is in line with the Federal Government's policy of drawing closer to France.

That simple gesture of initialling had a symbolic value. It was a sign of co-operation.

So it is in the other fields of international politics. If Quebec is represented in a national delegation to an international meeting, the Federal Government is thereby aided by Quebec in developing the Canadian "French fact" to the fullest extent on an international level, by ensuring that the interests for which the provincial government is responsible will be directly represented.

Moreover, the interests of French-Canadians are not limited to the French-speaking world. These interests include all areas of external affairs. Conversely, the French-speaking world should not interest only Quebecers, or even French-Canadians, but all Canadians. When the Commonwealth Conference on Education was held in Ottawa in 1965 (and another will soon take place in Lagos), it was not only English-speaking Canadians who took part. French-Canadians were also there. This is only reasonable. In addition, the Quebec provincial government is invited to appoint representatives on such occasions, and does so. For my part, I should like to see the French-speaking world do the same: allow English-speaking people and provinces with English-speaking majorities to be

represented as well. In this way the problem of the French-speaking community would be of concern not only to French-Canadians or to the Quebec Government but to all Canadians. Is this utopian? Perhaps. Yet five years ago, if anyone had said that Ontario would become a bilingual province, he would have been called a dreamer. Why should it be thought advisable for Quebec to participate in the Fourth Commonwealth Conference on Education and inadvisable for New Brunswick, for example, to participate in a similar conference dealing with education in the French-speaking countries?

The basic ideal for French-speaking people, and, in particular, for the people of Quebec, is to develop their culture as far as possible. However, in order to do this, we must go out into the world, not shut ourselves in. Going out into the world does not mean locking ourselves safely inside our own little world but, on the contrary, being seen and felt in as many areas and places as possible. It is important for French Canada, all of French Canada, to be represented in the French-speaking community, but it is also important for it to be represented in Washington or at the United Nations. That is what we are trying to do in the Department of External Affairs. In the field of foreign relations, the policy of the Government and its officials is very clear - it is to reflect abroad, to an ever increasing extent, the image of a bilingual Canada.

If this action is to be pursued and developed, the Federal Government and its officials must obviously maintain contact and co-operate with the provincial governments and their officials. And that is precisely the intention, and increasingly the practice, of our Department. When an international conference which may be of interest to the provinces is announced, the provinces are informed and invited to appoint someone to the national delegation. If a group of provincial officials wishes to negotiate some arrangement with a foreign country, we facilitate the matter. What more can you ask in the way of co-operation? All we ask is to be consulted in time, so that we can assure ourselves that the projects do not conflict with Canada's national policy and that the arrangements observe the proper forms and respect Canada's international personality. And I am not speaking here of what we intend or plan to do, but of current and accepted practice.

... In closing, I wish to say that the Department of External Affairs is your Department and that it is trying to serve the interests of French-Canadians, as well as those of all Canadians. This task it cannot do alone. If Quebec and the other provinces are to make their presence truly felt in world affairs, the Department needs their co-operation. With this co-operation, the Department can succeed in ensuring that Canada, all of Canada, will always be represented on the world scene, serving the interests of all the people of Quebec and of all Canadians.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/11

CANADA AND THE NON-PROLIFERATION TREATY

Excerpts from a Statement by Lieutenant-General
E.L.M. Burns, Permanent Representative of Canada
to the Eighteen-Nation Disarmament Committee,
Geneva, March 13, 1968.

The Canadian delegation welcomes the latest revisions included in the draft Non-Proliferation Treaty which was submitted on Monday March 11. These revisions constitute a further step in the elaboration of a Treaty which should be both effective and widely acceptable. Anyone who has followed the course of negotiations in the Eighteen-Nation Disarmament Committee during the past two years and studied the successive draft treaties should be convinced of the constructive results obtained through the efforts of all delegations.

We shall very soon be moving on to the United Nations General Assembly for what will probably be the last round of negotiations, in which the Treaty will take on its final form. The Canadian delegation would respectfully suggest that all members of the Eighteen-Nation Committee on Disarmament have a responsibility to do all in their power to make the General Assembly debate as constructive, relevant and informed as possible....

The Canadian Government is in general agreement with the provisions of the Treaty in its latest revision and welcomes the last changes which have been incorporated.

We find the content and phrasing of the preamble satisfactory, and in particular we ascribe importance to the provisions that assert support for research on and development of the instrumented means of carrying out safeguards procedures in the IAEA system, to the provisions that affirm the principle that states not possessing nuclear weapons should receive the benefits of all peaceful applications of nuclear technology, including the uses of nuclear explosive devices for peaceful purposes, and to those provisions which refer to steps to halt the arms race and lead to nuclear disarmament. We are pleased to see the inclusion in the present draft of the paragraph suggested by the delegation of Sweden reaffirming the determination expressed in the Moscow limited test-ban treaty to achieve a cessation of all nuclear weapon testing.

As I mentioned in earlier statements, Canada finds that Articles I and II of the Treaty, often referred to as its core, adequately provide for preventing states other than the existing nuclear powers from acquiring nuclear weapons. That, of course, is the main purpose of the Treaty. In that connection, we have

welcomed the recent assurances by the Co-chairmen, in response to points raised by some delegations, that they consider Articles I and II to contain no loopholes to proliferation of practical significance.

Turning to Article III, while Canada would have preferred an equitable safeguards article, which would apply safeguards to the peaceful nuclear activities of all parties to the Treaty, we consider the formulation of Article III, submitted on January 18 by the United States and the Soviet Union, to be an acceptable compromise arising out of lengthy and difficult negotiations. As a non-nuclear-weapon state, Canada has been greatly assisted in coming to a decision to support this formulation by the public undertakings of the United States and the United Kingdom last December to accept safeguards on their own non-military nuclear activities. We earnestly appeal to the Union of Soviet Socialist Republics to give a similar undertaking.

We would urge other members of this Committee also to support the latest formulation of Article III. This article is, in our view, essential to the credibility and working of the Treaty, because it would provide effective means of ensuring that the terms of the Treaty were being respected by the parties. As we have often stated in this Committee, Canada considers provision for effective verification to be fundamental to realistic and durable measures of arms control, not least to invest them with the vital element of international credibility. Article III would, we are sure, accord the Treaty the necessary credibility and instil in parties the confidence necessary to ensure that the Treaty would be effective in preventing the further spread of nuclear weapons and enhancing the security of the community of nations.

We would remind members of the Committee that the intent of the article is to apply safeguards in accordance with the Statute of the IAEA and the Agency's safeguards system. This safeguards system has been sanctioned by the General Conference of the Agency, which claims the membership of every country represented in this Committee. It has, moreover, attracted wide international support and has stood the test of time and experience. Article III envisages not the imposition of a new untried concept and set of procedures, not a departure from established norms and practices, but rather the logical, and, we trust, progressive, extension of an effective, unobtrusive and generally acceptable set of controls against the diversion of nuclear energy to weapon purposes.

What is required at this juncture is merely some general indication of support for the principles and intent of the article, particularly from those members of the Committee with active peaceful nuclear programmes. No member can be expected to make a final judgment on or commitment to the article until the Treaty is in final form. All members will have opportunity to review and assess the viability of all provisions of the Treaty before they sign and ratify it. Even as parties, they will have the opportunity to review the actual functioning of the treaty and the extent to which all parties are living up to its terms and spirit....

There has been much discussion in this Committee of the need for the Treaty to provide for an acceptable balance of mutual obligations between the nuclear and non-nuclear states. In the view of the Canadian delegation, Article IV of the Treaty goes some way towards establishing such a balance, as it expresses an obligation of states with advanced nuclear programmes to assist those in less favoured circumstances. Furthermore, my delegation considers it most important that Article IV guarantees the rights of parties to the Treaty to the unrestricted development of nuclear energy for peaceful purposes and to the co-operation to that end of other states and international organizations.

Article V of the Treaty deals with a subject which has at times provoked a lively debate in the Committee. I refer, of course, to the use of nuclear explosive devices for peaceful purposes. We support the wording of the present Article V, which, we feel, contains advantages for non-nuclear countries which offset the prohibitions contained in Articles I and II. During our debate, I have many times stated Canada's position on the regulation of peaceful nuclear explosions under a treaty of non-proliferation. For the present, I shall merely repeat what I said at our meeting on February 21, which reflects our desire to see the elaboration of an effective non-proliferation treaty without any loopholes:

"... we support the prohibitive provision in Articles I and II; and the fundamental reason for this is that we believe that military and civil nuclear explosive technologies are indistinguishable. The ability to produce any kind of nuclear explosive device is the same as the ability to produce a nuclear weapon"

Canada considers that the provisions of Article V are particularly advantageous, as they assure states without nuclear weapons that they will be able to secure nuclear explosive services for peaceful purposes when these have been developed by the nuclear powers, but without any charges for research and development. Such arrangements would spare non-nuclear-weapon states the high costs in both financial and human terms and the delays of many years which would be involved in developing nuclear explosive devices with their own resources.

My delegation, among others, has raised questions concerning the provision for bilateral arrangements for peaceful nuclear explosive services. We have welcomed the oral assurances on this point which have been given by the Co-chairmen, particularly that bilateral arrangements would be arrived at and implemented in strict accordance with Articles I and II of the Treaty. As stated by the representative of the United States, any bilateral arrangements would be subject to international observation.

We have noted also statements by the Co-chairmen that it will be necessary, in due course, when more is known about the economic and technical feasibility of employing nuclear explosions for engineering or other developmental purposes, to draw up a convention or international agreement on the modes of carrying out and controlling the arrangements foreseen under the provisions of Article V. The Canadian delegation suggested an outline of what such a convention should contain in its intervention on September 12, 1967.

Canada is in agreement with the provisions of Article VIII, as now revised. We welcome the inclusion of language which makes possible periodic review of how the objects of both the Treaty and the preamble are being achieved.

As we have said before, we consider that, in Article IX, 40 ratifications is about the number which should be required to bring the Treaty into force. In view of the importance of this Treaty, the Canadian Government hopes that it will come into effect with the minimum of delay.

The provisions of Article X are completely acceptable to my delegation.

Turning now from the Treaty itself, I should like to comment briefly on an equally important and closely-related subject. We have from time to time voiced a concern that the question of security assurances has not yet been dealt with in our Committee's negotiations. We have, of course, appreciated the complexities and the difficulties of reaching an agreement of this kind. Therefore we greatly welcome the recent tripartite agreement on this issue. We have long been convinced that the non-aligned non-nuclear-weapon states parties to the Treaty have a legitimate claim to be protected against nuclear intimidation and attack, in return for their renunciation of the right to acquire nuclear weapons.

The Canadian Government believes that the agreement between the United States, the Soviet Union and the United Kingdom, as expressed in statements by the representatives of those powers at our meeting on March 7, advances very considerably the possibilities of general acceptance of the Non-Proliferation Treaty - which it regards as so fundamentally necessary at this time. The proposed resolution and accompanying declarations, furthermore, would constitute an obligation of the nuclear powers, thus giving further recognition to the principle that there should be an appropriate balance of mutual obligations and responsibilities in and relating to a Non-Proliferation Treaty.

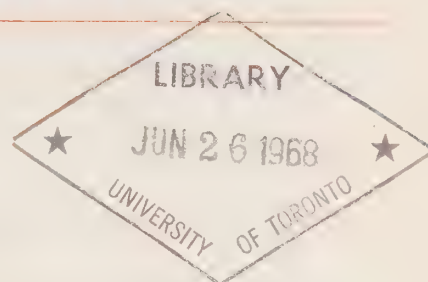
In conclusion, I would say that it appears to the Canadian delegation that the draft Treaty now before us approaches the optimum reconciliation of the varying interests and concerns of the nations in the world today in regard to this problem. The governments we represent must take their decisions in the light of the dangers and tensions of the present and, more importantly, in the light of the greater tensions and dangers which will certainly develop if they do nothing to check the spread of nuclear weapons and, following that, to halt the nuclear arms race.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/12

THE UNITED NATIONS POLITICAL ORGANS AND MULTILATERAL DIPLOMACY

Speech by the Honourable Paul Martin to the United Nations Institute for Training and Research, New York, May 21, 1968.

I was pleased and honoured to receive Chief Adebo's invitation to deliver the inaugural lecture of the programme of lectures and seminars for diplomats which is being organized by the United Nations Institute for Training and Research. I understand that the object of the programme is to promote knowledge and understanding of the United Nations amongst those of you who work here as members of permanent missions. I am sure Chief Adebo will agree that the best way to learn about the United Nations is to work here for a period of years. Those of you who have done that will perhaps wonder what more there is to learn. And yet we all know how easy it is, experts or not, to mistake the wood for the trees. My purpose tonight is the modest one of helping you to stand back from your desks for a glance at the skyline. If you reflect afterwards that it is not after all an unfamiliar sight, I hope it will not be considered superfluous to have reminded you it is there.

... Dag Hammarskjöld once began a lecture as follows:

"One of the many contradictions of life is the frequency with which we refer to ourselves as living in a period of change and rapid development, while, on the other hand, we are so often reluctant to acknowledge the need for adjustment in our ways to the changes which actually take place."

The United Nations and its associated agencies and subsidiary bodies represent the conception of change. Diplomacy and its ways tend to represent the difficulties of adjustment. U Thant once made the same point more dramatically:

"What strikes me is the common factor in all these crisis situations...the gulf that separates practice from precept."

He went on to make a plea that governments make a conscious effort "to return to accepted standards of international morality and to refashion their international conduct in accordance with the precepts of the Charter".

I have neither the moral authority nor the political audacity to propose in this lecture a way out of the dilemma pointed to by these two eminent statesmen. I remind you of it to emphasize the significance of conduct, of example, both personal and national, as a factor in international relations. Institutions, techniques, organizations and arrangements, however designed and however efficient will not suffice unless individuals in positions of responsibility both inside and outside government make unremitting efforts to reach the goals which are set out in the Charter.

The League of Nations and the United Nations

In 1938 I was a member of the Canadian delegation at the eighteenth Assembly of the League of Nations and I have been a delegate many times to the General Assembly of the United Nations. Both bodies are the evolutionary product of previous systems of multilateral political negotiation, even though the usual technique for international relations has always been bilateral diplomacy. Indeed, in 1625 Grotius wrote:

"It would be advantageous, indeed in a degree necessary, to hold certain conferences of Christian powers, where those who have no interest at stake may settle the disputes of others, and where, in fact, steps may be taken to compel parties to accept peace on fair terms."

The Congress of Vienna, in 1815, and subsequent conferences, brought about changes in the technique of diplomacy and these have evolved into the present state of international organization.

Both the League and the United Nations have helped to make it easier for the modern state to conduct its international business. We do not think of the League as anything more than an organization of sovereign states, and indeed this has been the juridical basis for the United Nations. Yet both bodies have provided improved means for negotiation and a more efficient framework for diplomacy. Neither has been a substitute for ordinary processes of diplomacy. What they have done is to add a new dimension, basically the principles of the Covenant and the Charter, to the context of these processes

Of course, the United Nations represents a higher rung on the ladder of international progress -- it has far more members, it has more powers, it embraces more activities than the League did. The authority of the Secretary-General has been increased. The rights of the individual are given prominence in the Charter as they were not in the Covenant. But the more one examines the two organizations the more their functions seem basically the same. We should neither be concerned nor surprised at this, for we should not expect radical innovations in the development of international organization. The real changes in the world since 1945 are not in organization but in the distribution and concentration of power, in the effects of technology and in the expectations of men everywhere for a better life. We have somewhat improved the international instruments for dealing with these problems. We have not made it certain that we can deal with them. In the words of the first Secretary-General of the United Nations:

"The power to act continues to reside almost exclusively with the respective governments. The role of the United Nations is to enable them to act in concert, effectively and in the common interest."

This means negotiation -- in other words, diplomacy.

Conceptions of Diplomacy

The old conceptions of diplomacy -- Harold Nicholson called it "the management of international relations by negotiation" and Sir Ernest Satow "the conduct of business between states by peaceful means" -- still apply. But they apply in a new environment. There are more states and more diplomats than ever before; communications are much easier and faster; popular knowledge and interest in international affairs is much greater; international organizations proliferate; and the subjects of diplomacy tend to embrace most aspects of national activity.

We use the term multilateral diplomacy to describe diplomacy in the context of international organization, in this case the United Nations. I understand it to refer to the discussions, negotiations and debates, both private and public, which take place at the United Nations on the common ground of the Charter. The public aspects of this process have been called parliamentary or conference diplomacy, and the very phrase conjures up both opportunities and dangers. In the words of Dag Hammarskjöld:

"It can serve to form public opinion. It can subject national policies and proposals to the sharp test of world-wide appraisal. It can activate the sound instincts of the common man in favour of righteous causes. It can educate and guide."

On the other hand, "open diplomacy may easily become frozen diplomacy." The too easy satisfaction of domestic public opinion or the gaining of a propaganda advantage tends to engage national prestige and thus to inject an element of rigidity and gamesmanship into the process of negotiation. Diplomats must be leaders as well as servants. "No diplomat", as Mr. Hammarskjöld put it, "is likely to meet the demands of public opinion on him...unless he understands this opinion and unless he respects it deeply enough to give it leadership." As Count Metternich is said to have remarked, diplomacy "is the art of avoiding the appearance of victory", and I should add that voting victories are no exception if they do not help to bring consent and agreement.

We come back, therefore, to the conception of quiet diplomacy as an essential complement to the idea of conference diplomacy. I shall discuss some examples of such diplomacy later in this lecture. Let me say a word first about some of its techniques and some of its effects. A common technique is the establishment of advisory committees to help the Secretary-General perform the tasks which may be entrusted to him by the Security Council or the General Assembly. Such committees had important functions during the early years of the Suez and Congo peacekeeping operations. Their composition, schedule of meetings and role have depended on the special circumstances of each case. The peacekeeping committees were composed of representatives of member states. In other cases, the members may be chosen for their technical

competence and may act in their personal capacity -- the expert committees dealing with scientific, and to some extent financial, subjects are a good illustration. Working groups of larger committees which are instructed to meet privately and without records are also useful means of accomplishing business quickly and, in some cases, effectively. One should not overlook, as well, the technique of holding private meetings of the Security Council, although it is usually preferable for the members of the Council to meet together privately as representatives and not formally as Council members. I think, too, that the idea of holding regular meetings of the Council to discuss general questions of concern to the Council because of its responsibilities under the Charter, rather than particular issues brought to its attention by member states, is worth exploring.

I should emphasize, as well, the role of the Secretary-General and the Secretariat in promoting agreement and in representing the common interests of the organization and its members. If the Secretariat is to introduce this element of balance and conciliation, it is essential that it remain independent and impartial.

Finally, the UN offers unique opportunities for communication and understanding between governments that might otherwise find it physically awkward or politically difficult to communicate. Working relations between delegations are usually continuous, informal and intensive. The individuals concerned become not only aware of the issues which are common to the international community as a whole but tend to look at these issues in terms of a common responsibility for finding ways and means of dealing with them. Charter principles and purposes, past experience and precedents, the leadership of the Secretary-General, the atmosphere of informality and the pressure of common problems -- all these elements tend to forge out of disparate resources the nexus of multilateral diplomacy.

General Assembly

The large increase in membership of the General Assembly over the past ten years has both widened and restricted the opportunities for multilateral diplomacy. It has widened them because there are far more contacts, discussions and meetings amongst 120 or more members than there could be between 70 or 80 members. Furthermore, the subjects on the agenda of the Assembly have become more varied, reflecting the particular interests and objectives of the new states. If the experience of the last 18 months can be considered evidence of a trend, the Assembly will be in session for longer periods. In addition to the regular sessions of the Assembly, we have had in the past year or so a special session, an emergency special session and a resumed session.

On the other hand, the opportunities for diplomacy have to some extent been restricted by the ease of achieving a two-thirds majority for resolutions which are supported by member states from Africa, Asia, and Latin America. Until recent years, the voting rules usually implied that the sponsoring states had to take into account the views of other members and groups of members and to accept amendments before a vote was called on their resolutions. Now it is possible for resolutions on certain subjects, particularly resolutions relating to colonial issues and to issues of economic development, to be

passed by a large majority without prior negotiation with the minority. A look at the voting record of the last session of the Assembly, for example, indicates that very few resolutions were adopted by a simple majority. On most colonial issues, there was a fairly consistent minority, varying between ten or 12 states and occasionally rising to 30 states, which opposed resolutions favoured by the majority, but in no case did these majorities fall below 80 votes except on the questions of Gibraltar and Oman (I refer only to recorded votes). Some observers have detected over the past ten years a trend toward unanimity in Assembly recommendations. While this may have been true in the early sixties, it now seems to be the case that differences between the developed or wealthy states and the rest over the kinds of actions which are appropriate for the United Nations to take in the development field or in dealing with certain colonial questions have reached a point close to deadlock. If I am right, the diplomatic function of the organization has suffered damage and there may be some cause for apprehension about the Assembly's future role in this respect.

I do not wish to exaggerate this anxiety. There have been many examples of determined and successful efforts to reach agreement on difficult issues and other examples where agreement may not have been reached but where honest and persistent attempts were made to do so. Let me mention some of these examples to illustrate the distinctions involved. A resolution was adopted in 1955, when I was the chairman of the Canadian delegation, which resulted in the admission of 16 new members, and which may be cited as an example of what I shall call "middle-power diplomacy". The 28 sponsors of the resolution were widely representative of the membership with the exception of the great powers. The latter split their vote -- China voting against, France and the United States abstaining and the U.S.S.R. and the United Kingdom voting in favour. However, all to some degree lobbied against the resolution and were only persuaded to act positively in the Security Council after the Assembly had shown that there was overwhelming support for the expansion of the membership. The reasons for this support were summarized in my statement at the time, which I quote because I think it is still relevant to the situation today:

"Our support of the draft resolution is based on a philosophy of United Nations as we see it, a United Nations which is as near universal as possible. We are aware of the fact that the expansion of the United Nations will introduce more voices, perhaps in some cases discordant voices, into a community where there is already much discord. We realize that by bringing in these members we may be swelling the opposition occasionally to measures which we shall undoubtedly be supporting. Unquestionably, it would be easier to sit back and prolong the present situation indefinitely out of fear of unknown consequences but in our view to do so would be a sterile attempt to preserve a restricted arrangement which is bound to be swept away sooner or later. We cannot ignore the nature of the world as it exists. If the United Nations is to survive and if it is to play the great role intended for it, then it must reflect the real world, not a partial world of our contriving. We see no reason to face an expanded and almost universal United Nations with timidity, to think only of the disadvantages and to forget the enormous opportunities."

The second kind of diplomacy practiced in the General Assembly may be illustrated by reference to efforts by Canadian delegations over the years to improve peacekeeping practices and procedures. We might call this "functional diplomacy". I mean by this that the supporters and opponents of particular resolutions are not divided by geography or size but by a conception of their functions as members of the United Nations and of the proper functions of the United Nations as an organization. For the last two years, both Canada and Ireland have introduced or supported resolutions on peace-keeping with somewhat different objectives but with a broad cross-sectional appeal. At the twenty-first session, for example, a Canadian resolution on peace-keeping was co-sponsored by seven states -- three from Western Europe, two from Latin America, one from Africa and one from Asia. The Irish proposals that year had support from a number of states in these areas as well. However the permanent members were divided; none supported firmly the Irish resolution and two were opposed to the Canadian resolution. It was this split which in the end led to the relative lack of success of the resolutions. I say relative, because the Canadian resolution received 52 votes in committee, with only 14 opposed, but could not be brought to a vote in plenary. The reasons it was put aside in plenary are complex, but essentially it was the fear on the part of many states that the resolution would further deepen the differences between the great powers on the future role of the United Nations in the maintenance of peace and security. I should not go so far as to say that opposition by one or more permanent members is necessarily decisive in the Assembly. Indeed it is quite clear that this is not the case for resolutions dealing with colonial questions. But on a subject such as peace-keeping, where the issues go to the heart of the purposes and future of the United Nations, it is doubtful that the Assembly would be wise to insist on arrangements which are unacceptable to either the United States or the U.S.S.R.

A third kind of diplomatic negotiating at the United Nations might be called "group diplomacy". The latter is concerned with issues which, by and large, attract the support or opposition of regional groups and where group cohesion is relatively strong. On some questions, a number of groups will take the same general view of an issue and in combination they can find the votes to pass resolutions which are unacceptable to a single group. There may or may not be an attempt to reach general agreement before the resolution is put to the vote. Let us take the case of South West Africa, for example. Resolution 2145 was adopted in 1966 by a very large majority (114 to two, with three abstentions) but there was a great deal of negotiation behind the scenes which made possible the eventual result. Negotiation took place primarily between representatives of the African and Asian groups and representatives of the Western European and Latin American groups, although I should point out that the Western European-and-Others group does not generally delegate representatives to act on its behalf on substantive issues, and it was on an informal basis only that certain members did so act in this instance. The objective of the negotiation was to reach agreement on the wording of the termination of South Africa's rights under the mandate and on the terms of reference of any committee which might be set up to study the future of the United Nations responsibility for South West Africa. It was only after a willingness to compromise on both sides that agreement was reached, and then only after the defeat of an amendment proposed by the United States which would have made somewhat less direct the responsibility of the United Nations for the territory.

The subsequent history of the South West Africa issue in the United Nations did not bear out this promising beginning. At the next session of the Assembly, in the spring of 1967, no agreement could be reached despite intensive efforts; 30 states, mostly Western, abstained on the resolution which established a United Nations Council for South West Africa. When the subject came before the twenty-second session of the Assembly in the autumn of 1967, the deadlock remained unbroken, there was little negotiation, and most of the Western group again abstained, although the resolution itself was supported by 92 member states. This was an example of what might be called the "majority variety" of group diplomacy, although in fact it is hardly appropriate to speak of diplomacy if there is little or no attempt to conciliate differences of view between important groups of states.

The Assembly's attempt last summer to find a basis for the solution of the Middle East crisis was also an example of the failure of group diplomacy at the United Nations. In this case, the failure did not arise from a lack of negotiation but from an inability to reconcile, despite heroic efforts, two conflicting positions which were held by approximately equal numbers of states (on the one side the Latin American group, most of the Western European-and-Others group and almost half the African group -- on the other side the Eastern European group, most of the Asian group and over half the African group). The task of persuading the parties and their great-power supporters to make concessions on this issue could only have been achieved on one of two conditions: either an agreement between the United States and the U.S.S.R. about the elements of a solution which they would then try to persuade the parties to accept, or agreement on a "grass-roots" resolution which would reflect through its co-sponsorship world public opinion. Both methods were tried but neither succeeded and, as you will recall, the Assembly had to adjourn without adopting a resolution on the fundamental issues at stake.

Suggestions have been made from time to time for changes in the procedures of the General Assembly, some of which would imply Charter amendment, designed to adjust the principle of sovereign equality, or one-nation-one-vote, to the discrepancies in the influence and power of member states. It has been pointed out, however, that the Assembly is not a parliament but a diplomatic meeting. A parliament can pass legislation by majority vote. The Assembly can in most cases adopt only recommendations by majority vote. Recommendations addressed to member states will not achieve their ends unless they obtain the backing of powerful and influential members, and even then wide co-operation is by no means assured.

Of course, the Security Council is the United Nations organ primarily responsible for taking action and the members of the Assembly can always explain the lack of practical results to particular recommendations by the refusal of the Security Council or its permanent members to agree. But it is not satisfactory for the Assembly to make repeated recommendations which are ignored or forgotten. Either the process I have called group diplomacy must be made to work better than it has (and this can only happen if the leading member states are prepared to make appropriate compromises), or some institutional innovation may be desirable to facilitate negotiation. I do not think that proposals for weighted voting of one kind or another are practical at the present time, nor am I convinced that this system would be desirable even if it were practical.

A more promising direction in which to look for a solution might be through the further development of representative committees of limited size which would be more or less in continuous session. This practice has become increasingly common at the United Nations, in any event, even though the principle of equitable geographical distribution which is usually followed in establishing the membership of such committees may not be the most effective in achieving the purpose I have in mind. Perhaps more attention should be paid to such criteria for membership as the contributions which member states are making or may make to the particular activity which is the subject of the committee's competence. It might also be considered whether the Assembly's voting procedures should be changed so as to ensure that on certain kinds of questions -- for example, those involving peace and security -- the Assembly would not be able to make recommendations without an important majority of the membership voting in favour.

Multilateral diplomacy in the Assembly, as in the Council, has also suffered from the absence of important states. I have already quoted remarks I made on this subject 13 years ago. We all know the difficulties of implementing the ideal of universality; none better than the Government of Canada, which made proposals on the question of Chinese representation in the United Nations two years ago, without success. However, I would like to draw attention to the suggestions made by the Secretary-General from time to time that non-member states should be enabled to maintain observers at United Nations headquarters and at other United Nations offices. Some of these states follow this practice now. Others do not, for one reason or another. I agree with the Secretary-General that it would be desirable for the Assembly to give him a clear directive as to the policy to be followed in future on this subject.

Security Council

If, as I have suggested, the diplomatic functions of the General Assembly have been somewhat inhibited in recent years by the practice of "majority" diplomacy, the reverse seems to be the case in the Security Council. Since the expansion of the membership of the Council from 11 to 15 in 1966, the latter has tended to fulfill a function resembling the fourth purpose of the United Nations: to be "a centre for harmonizing the actions of nations". The nine votes necessary to enable the Council to take a decision are easier to prevent under the new composition than to secure. Thus an incentive is created to negotiation and compromise. No single or group point of view can be assured of finding a majority. What used to be called the hidden veto is now distributed more evenly among all the members of the Council and the veto itself has virtually disappeared from its proceedings. Over the past three and a half years, only one question has failed to be decided because of a veto, although occasionally no decision has been taken because of failure to obtain the required majority. There have been other questions which have not been settled by the Council because no resolutions were put forward - the Vietnam and Korean questions, for example. Most questions which were the subject of a decision by the Council during this period were decided unanimously or by consensus. This means that most of the business of the Council is now done in private consultation behind the scenes; in these consultations one can find the best illustrations of multilateral diplomacy in the UN today.

To take the case of the Arab-Israel dispute, the Council devoted 33 of its 46 meetings in 1967 to this subject alone, but far more time was spent by the representatives in negotiations outside the Council chamber than was spent inside. Seven resolutions were adopted after the outbreak of fighting on June 4 -- five relating to a cease-fire, one to the welfare of the refugees and one to a political settlement of the dispute. In addition, a consensus was expressed by the President on arrangements for the supervision of the cease-fire. It has been said that the Council was not able to prevent the fighting and this is true, although efforts were made by some member states, including Canada, to have the Council intervene before June 4. On the other hand, not enough attention has been paid, I believe, to the remarkable achievement of the Council in adopting a resolution on November 22, 1967, which outlined certain principles for a just and lasting peace in the Middle East. Adoption of this resolution came after several months of negotiation. It was based on the principle of a balance of obligations and responsibilities on both parties to the dispute, and its unanimous adoption lent great weight to its recommendations, even though these were not decisions in the sense of binding commitments under Article 25 of the Charter.

The first Canadian representative on the Security Council, General A.G.L. McNaughton, pointed to some of the principles underlying this kind of multilateral diplomacy in a speech over 18 years ago, before the Council became a casualty of the great-power deadlock which followed the events in Korea that summer:

"First, the Security Council is not in a position to embark on armed intervention.... In consequence, it can usually do little more in the initial stage than to call on the parties engaged in the dispute to stop fighting and to start talking, and to offer them the means by which they can work out a settlement through negotiations rather than by conflict.

"It is, I believe, most important that, when the Council calls upon the parties to cease hostilities, it must make such a call both universal and impartial. The Council should, therefore, make it plain that, in calling upon the parties to end hostilities, it is not prejudging the ultimate political solution which may be achieved through its good offices.

"Thirdly, to the greatest possible extent the responsibility of solving a political problem should be left primarily with the people who are immediately affected by it.... There is a great advantage in stability through having an agreed rather than an imposed conciliation, and this procedure has the useful effect of strengthening the sense of responsibility at a point where this is essential to a healthy political life."

I have quoted these somewhat lengthy remarks because I think it is significant that the Council is still faced with the same choices in its efforts to achieve the peaceful settlement of disputes, although in the interim the United Nations has added the tool of peace-keeping by military forces to its repertoire of peaceful settlement procedures. Its new-found

capacity to negotiate and to reach agreement over the past few years, to which I have referred, has been applied with success not only to the situation in the Middle East but also to situations which have threatened peace in Cyprus and the Indian sub-continent. In the case of Rhodesia, it has gone further and decided for the first time on a programme of sanctions. In none of these cases has the Council actually been able to bring about a settlement of the disputes in question. But I am optimistic that the procedures which the Council has set in train in the Middle East and in Cyprus will lead to constructive results.

In the end, of course, it must be the parties who by their actions will make these results stable and permanent, in so far as permanent results are possible at all in international relations. I should be the first to agree that methods for the peaceful settlement of disputes can be improved and that more attention needs to be given to the suggestions which are made from time to time by the Secretary-General or by member states for their improvement. In particular, I would draw attention to the recommendations which have been made by the present Secretary-General and by his predecessors respecting the opportunities provided in Article 34 of the Charter for the Council to enquire at an early stage into any situations or disputes which might lead to international friction, without waiting for the parties directly concerned to come to the Council first. Fact-finding commissions have probably not been employed as much as they should have been by the Security Council, and I have noted with satisfaction the recent resolution of the General Assembly requesting the Secretary-General to establish a register of names from which such commissions might be drawn.

Nevertheless, the United Nations cannot enforce the settlement of disputes. All it can do is make it easier for the parties to settle their own disputes. In that capacity the permanent members have a special role. We all know that it is their concurrence which gives special weight to the Council's resolutions. It is their continued activity and diplomacy behind the scenes which will help to ensure that these same resolutions are respected and implemented. Only in cases of a threat to the peace, a breach of the peace, or an act of aggression can the Council go further and take decisions which may lead to the use of coercive measures against particular states. Such decisions imply the end of diplomacy and for that reason are a last resort. Yet the threat of such decisions is important. Chapter VI of the Charter, on peaceful settlement of disputes, would not have the same weight or the same point if it were not followed by Chapter VII, on the maintenance of international peace and security. If we must not resort lightly to the measures described in Chapter VII, neither should we neglect or dismiss the provisions of this chapter. I think it would be helpful, therefore, if the members of the Council could agree to investigate again the possibility of negotiating the agreements called for in Chapter VII for the provision of armed forces, assistance and facilities necessary for the purpose of maintaining international peace and security.

I do not wish to leave the subject of diplomacy in the Security Council without mentioning the question of permanent membership. Mr. Hammarskjöld used to speak of the need for the United Nations to keep new conflicts outside the sphere of bloc differences or to bring them out of this sphere, if necessary, through solutions aiming at the localisation of conflict. The United Nations has done this with success in some areas. It has not been able to do so in Eastern Asia, partly because the permanent member chiefly concerned is not represented at the United Nations. Clearly the Council will be handicapped

until this matter can be settled. I should go further and suggest it is not too soon to begin thinking about the whole question of how the status of permanent membership can be brought into harmony with present and future trends in world politics.

Office of the Secretary-General

The authority of the Secretary-General under Article 99 of the Charter to draw the attention of the Security Council to any situation which may threaten peace or security gives him wide powers of discretion and responsibility. These powers have been developed substantially in actual practice over the past 20 years. For example, Dag Hammarskjold's visit to Peking in 1955 was based on his authority under Article 99. He took the same view of his responsibilities in the Middle East in 1956 and after and in Laos in 1959. In other words, it is not required that the Secretary-General should act necessarily on the basis of instruction or guidance from the Security Council or from the Assembly. In the case of the Congo, Mr. Hammarskjold took it upon himself to interpret the resolutions of the Security Council in ways which he thought best expressed the common view. The present Secretary-General has done the same thing in regard to Cyprus. I draw attention to his remarks on the subject at Queen's University in 1965:

"...the Secretary-General must always be prepared to take an initiative, no matter what the consequences to him or his office may be, if he sincerely believes that it might mean the difference between peace and war. In such a situation, the personal prestige of a Secretary-General -- and even the position of his office -- must be considered to be expendable. The second cardinal consideration must be the maintenance of the Secretary-General's independent position, which alone can give him the freedom to act, without fear or favour, in the interests of world peace."

Of course, all three Secretaries-General have been guided, where they had no alternative, by the principles and purposes of the Charter, of which they may be said to have been the chief interpreters. But they have made use of the device of advisory committees, established informally and operating intermittently, particularly in respect of the conduct of peacekeeping operations. This is a system which in my view could be developed even further, in default of the implementation of the relevant provisions of Chapter VII of the Charter. The Security Council is not usually in a position to manage the implementation of its decisions, either because the basis for consensus is too fragile for explicit articulation or because the Council is too burdened with other duties. Nor is it fair to expect the Secretary-General in every case to carry out ambiguous and politically controversial instructions. There is room here for a third level of consultation, which would take into account not only the interests of the Security Council and the Secretary-General but also the interests of those states which may be required to participate in implementing decisions of the Council but do not have the privilege of membership on the Council at a particular time.

Conclusion

It is a common experience in foreign offices that the urgent requirement drives out the considered idea, although much that is constructive and permanent may emerge from the press of action. The same is true at the United Nations. The record of debate in the political organs and their committees is strewn with ideas and proposals for improving the techniques and facilities for multilateral diplomacy, but there is little or no time to develop them at leisure. Perhaps the Assembly should make provision for some kind of continuing review of the methods of international co-operation which are practiced at the United Nations. In any event, I am confident that this new series of studies for diplomats will lead to fresh thought being given to the subject. Without wishing to appear subversive, may I suggest that the diplomatic profession could also do with its share of young members who raise questions about received ideas?

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/13

THE LANGUAGES OF CANADIAN DIPLOMACY

A Statement by the Honourable Mitchell Sharp,
Secretary of State for External Affairs, to
Officers of the Department of External Affairs,
Ottawa, August 26, 1968.

It gives me great pleasure to meet you today, particularly at this seminar on the languages of Canadian diplomacy. I attach particular importance to this first contact with you. This meeting serves two objectives:

- (1) While enabling me to welcome to our Department the new 1968 class of young officers, it also gives me the opportunity to meet last year's group.
- (2) It enables me to explain my views and my position, as Minister of External Affairs, on the important subject of bilingualism within our Department....

You will no doubt be familiar with the statement made by Mr. Pearson in the House of Commons in April 1966 on bilingualism in the Public Service of Canada. Let me say at the outset that the guide-lines set forth in that statement remain an important part of the Government's policy on bilingualism in Canada and that I, for my part, will do my best to see that they are implemented in our Department.

I do not intend to review Mr. Pearson's statement in detail today.... Nevertheless, some of the main points are worthy of special attention because of their implications for all members of the Department, and particularly for officers starting out on a career in the government service. In describing the Government's goals in this field, Mr. Pearson noted that within a reasonable period of time it was the Government's objective to realize four basic and very significant steps in the public service:

- (1) That as a matter of practice all internal communications whether oral or written should take place in either English or French, depending on the language of the person concerned;
- (2) that all communications with the public should normally be in either language as appropriate;

- (3) that in matters of recruitment and training the values of both linguistic communities be given full weight; and, finally,
- (4) that it should be a general objective to create a climate in which civil servants of both linguistic groups can work together towards common goals, using their own language, and on the basis of their own cultural values, while at the same time appreciating those of the other linguistic community.

I shall return in a few moments to the implications of these objectives for the foreign service. I should underline here, however, that they are not merely, or even primarily, a matter of achieving impressive statistics with respect to the percentage of fluent English- or French-speakers. They relate rather to the fundamental human concern of ensuring that every Canadian, and particularly those in the employ of the Federal Government, can feel fully at home working in his own language.

I said at a luncheon of the Reform Club in Montreal, when I was Minister of Finance, that "the aim of the present Government is to give every Canadian the right to express himself in either French or English and be understood when he deals with his Federal Government, at least in the capital of the country". I also went further, stating that "for the first time Canadians whose mother tongue is French will be able to compete on an equal footing with English-speaking Canadians". It is clear that these goals are of particularly fundamental importance within the Government service itself.

My immediate concern as Minister of External Affairs, and yours as members of the Department, must be to ensure that they are met as fully and as rapidly as possible both in Ottawa and abroad. For this reason, our Department anticipates meeting two important dead-lines in the Government's declaration of principles, which means that, by 1970 in the case of appointments from outside the service and by about 1975 in the case of promotions, bilingual proficiency or a willingness to acquire it at Government expense within a reasonable time, will normally be required.

For this reason also, the Department has established a number of practical procedures designed to develop a comprehensive approach to bilingualism in the foreign service. These procedures are already beginning to bear fruit. Last year's figures show that, among our foreign service and administrative officers, 28 per cent can be classed as bilingual, and a further 20 per cent have a good knowledge of both languages. It is also estimated that, during the past year alone, one-fifth of all departmental employees attended language courses.

These accomplishments must, however, be seen against the broader background of the basic requirements of Canadian foreign policy. If you read carefully the White Paper Federalism and International Relations and its supplement Federalism and International Conferences on Education, you will recognize that one of the main purpose for writing these papers was to outline the steps being taken by the Federal Government to frame and implement a policy which meets the requirements of the two major linguistic communities in Canada. In that way, the White Papers contribute to constructive consideration and

discussion of the implementation of the Canadian system in the field of international relations. They also provide an opportunity for an examination, not only by experts but by the public at large, which can only serve to enhance Canadian unity and the interests of all Canadian citizens.

Canadian foreign policy must not only be consonant with the interests of Canadians across the country but must also take account of our distinctive Canadian cultural and linguistic heritage. Thus, in framing and implementing foreign policy, the Canadian Government must recognize the traditions which both French- and English-speaking Canadians seek to maintain and develop within the fabric of the Canadian federation. Accordingly, it must be based upon equal status for the two official languages across the range of operations of the Department of External Affairs. It must also promote the interests of all Canadians of both major linguistic communities. Particularly in the projection of the Canadian character abroad, it implies that Canada must make a special effort to establish a proper balance by increasing its relations with francophone countries not only in Africa, where our programme has been stepped up, but also in Asia and in Europe. It also entails pursuing the effort which is already under way to reinforce and promote the use of our two official languages in international organizations and agencies. This we are doing.

At the same time, if our intention is to create a climate and conditions which will enable every officer to serve his country in either of the official languages, we must continue to encourage the use of the officer's own language as a working tool and to ensure that both English- and French-speaking officers have a sufficient knowledge of the two languages to be able to comprehend each other in day-to-day working situations. Especially in the performance of their duties abroad, our officers should be a living illustration of the Canadian linguistic duality. They must also meet the requirements of their fellow citizens travelling outside Canada.

All this means in practice that in our Department and others concerned with Canadian activities abroad there is a particularly striking need for officers to be competent in both official languages. We therefore have to be very sure that this need is being met as effectively as possible. I think your presence here today, together with representatives from other departments which share in the important task of representing Canadian interests abroad, testifies to the importance which all of us attach to this task.

Over the past few years we have, in fact, accomplished a good deal towards translating the principles of bilingualism into practice. Our recruitment of junior officers, as you know, has been particularly successful in terms of their ability to work in the two official languages. We have also been fortunate in recent years in being able to bring about a substantial increase in the proportion of new officers speaking French as their mother tongue. In the last three years, close to one-third of the new entrants have been French-speaking. Because these groups, taken together, involve some 140 officers, they have improved the linguistic balance in the service as a whole. This is of vital significance, for bilingualism cannot possibly flourish unless both groups are well represented.

In promoting this policy, it is important to keep in mind that French-Canadian diplomats, in the same way as English-speaking officers, should be assigned to a great variety of functions in all our missions and divisions. It is not the policy of the Department to have one or other group specialize in

particular fields, or particular geographical areas, to the exclusion of others. There should be no functional or geographical area where either French- or English-speaking officers cannot be asked to serve. This in itself will entail for the future a solid competence in both languages for all our officers.

Some recent developments in departmental practice will perhaps give you a more graphic idea of the effort we are pursuing. You are aware, for example, of our language-training programme. It is still not entirely adequate, but it has begun to make its contribution to the general level of proficiency in the two official languages. To improve this proficiency, the government school of languages is now in the process of testing all officers to determine their rating in order to facilitate future training of the individual officer. An increasing proportion of our stenographers are bilingual. Any of you who has ever tried to draft a memorandum or a telegram in French will know what an important advance this represents.

Last year, following the recommendations of an ad hoc departmental committee on bilingualism, regulations covering the use of the official languages were included in our departmental Manual of Procedures. The two languages have been set on an equal footing where transmission of general policy information to our posts abroad is concerned. Concrete results have been obtained in devising and publicizing equivalent terminology in the two languages for a wide range of common expressions, which are in everyday use in the Department. It is worthy of note that the Manual of Procedures not only stresses the importance of performing a substantial part of your duties in your own language; it gives detailed directives concerning the procedures which we wish to put into practice. Supervising officers are advised that they should encourage both French- and English-speaking officers working under their direction to use their own language as a working language. This is of the highest importance, to my mind, for it is not sufficient to accept bilingualism "in principle" if it is not encouraged on a day-to-day basis at all levels of the service.

With regard to written communications in particular, the regulations make plain that, in preparing documents designed for use within the Government, both in Ottawa and at posts, drafting officers shall be free to choose the language to be used in their drafts. Documents destined for use outside the federal administration will be prepared in the addressee's language.

I should also draw attention to the recent appointment of a departmental bilingual adviser.... In order to ensure continuity in his and our efforts, a permanent advisory committee on bilingualism has also been set up.

I might mention other developments. For example, the wives of our diplomatic officers are now entitled to learn their second official language either in Canada or abroad at public expense within the limits of the availability of funds and of teaching facilities. We are also in the process of improving the supply to our divisions in Ottawa and our posts abroad of basic reference books in the two official languages.

These measures, and others you will hear about in the next two days, show that the efforts of the Department are not based on a purely theoretical approach but involve well-planned, practical solutions. All this is impressive, I think, as tangible evidence of our willingness to move ahead. We cannot afford to be complacent, however. Much more remains to be done if we are to live

up to our commitments; there is a formidable list of problems on which we are or shall be working.

We want the new policies to be better known throughout the Department so that all members are fully aware of their responsibilities. We want a higher proportion of French-speaking members, for we must not blind ourselves to the fact that bilingualism, as important as it is, will not in itself solve the problem of ensuring greater participation in government by members of the two linguistic communities. Only an adequate number of individuals belonging to each group, both in Ottawa and in our missions abroad, will guarantee the realization of our goals. We also need a supporting staff which will be linguistically equipped to assist in carrying out these policies. We want a communications system which will facilitate, not hamper, communications in both languages.

In brief, we want French-speaking Canadians to make greater use of their language as a living instrument. We do not want our linguistic investment to go to waste. The Government and the Department can go only so far in assisting individuals in their attempts to master their second language. Thereafter it will be for each individual concerned to ensure that he develops his potential to the maximum.

To some this outline may sound like a dream; in fact, these policies are already being put into practice. They have been adopted because we believe them to be essential to the life and progress of this country, and essential, on a smaller scale, to the effective functioning of this Department. I can assure you that all steps will be taken to carry them out promptly.

For all these reasons, the Department is anxious to encourage young people of both cultures who are interested in a career in the foreign service to help in the task, and to participate in the Department's efforts to give full recognition to the values of each of the two main Canadian linguistic communities. Some welcome these policies; others have been and perhaps still are reticent, but we must move beyond these doubts. We need the co-operation of all of you, particularly the new generation of officers. In order to find a climate and conditions which will enable you to serve your country in either of the official languages, you will have to be the dynamic force and the continuing inspiration of this policy. You will have to remember that relations between French- and English-speaking Canadians depend not only upon laws but upon the workings of the human spirit. It will be necessary for all of us to work in harmony and to engage in honest and constructive discussion in order to discover what is needed for the full and effective implementation of this policy. By taking part in that process, you will continue to affirm your own culture and language and you will render a service of great value to Canada.

I want you to be very sure that the Government means business. I hope your commitment to these goals will be no less firm.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/14

TOWARDS WORLD ORDER

Address by the Secretary of State
for External Affairs, the Honourable
Mitchell Sharp, to the National
Conference of the World Federalists
of Canada, Toronto, June 7, 1968.

This conference of the World Federalists of Canada is taking place at a period when there seems to be a more serious discussion of foreign policy in Canada than at any time in my recollection. It may be that our coming of age as a nation and last year's centennial have prompted us to consider more critically our role in the world. It may also be a reflection of the intellectual ferment of our times that many Canadians are debating foreign policy questions.

Whatever the reasons for this phenomenon, I welcome it. One of my aims as Secretary of State for External Affairs is to encourage public debate about external issues and to seek the greatest possible degree of involvement by people outside the Government in the development of foreign policy. While it is the Government's duty to formulate policy and its responsibility to answer for that policy to Parliament and the people, I believe that we can come closer to reflecting the real interests of all Canadians if we have participation by a wide spectrum of the community. I therefore hope that there will continue to be a lively dialogue on this subject.

The Prime Minister issued on May 29 a major policy statement on "Canada and the world". In that statement the present Government attempted to set out its basic approach to foreign policy issues. You may have noted that the Prime Minister reiterated his commitment to undertake a comprehensive review and reassessment of Canada's role in the world. He drew attention to the changing features of Canada itself and the world around us which make such a review imperative. He indicated a few particular areas to which special attention will be paid in the reappraisal now under way.

It is my hope that the Prime Minister's statement will stimulate public debate. I should like to see organizations such as the World Federalists, which take a serious and informed interest in these matters, redouble their activities and seek to make a helpful contribution to the reassessment of Canadian foreign policy.

...I wish to say something about the development of world order in terms of enduring Canadian interests which I believe any conceivable Government of Canada would wish to pursue.

I take as my starting-point the assumption that it is in Canada's interest that there should be a stable world order. I do not mean a static and unchanging order. Profound changes are taking place in the world and in many cases it is very necessary that they take place. As long as two-thirds of mankind is still grossly under-privileged in terms of material well-being and as long as an equally large proportion of the human race is denied the full exercise of personal rights and freedoms, the existing state of affairs cannot be preserved intact.

What we must seek is a world that provides possibilities of peaceful change, of economic betterment, of liberation of the human spirit, of resolution of local disputes, without resort to war or other lapses into barbarism which cost so much in the lives of human beings.

Canadians would probably like to see on the international plane a world as peaceful and orderly as the national society we have managed to build here in our country in the past 100 years. It is true that we have experienced tension, conflict and occasional violence in Canada and I do not expect we shall ever succeed in eradicating entirely these features of human conduct. But we have succeeded in Canada in avoiding destructive upheavals that endanger the whole society. We are now engaged in a vigorous debate about our constitution. I have no doubt we shall resolve it in due course in some form of consensus and I am confident we can remove lingering injustices and adapt our Canadian institutions to whatever challenges the future brings.

How then do we help to establish on a world scale a society characterized by law and order such as we enjoy in Canada? Certainly we cannot do it by the over-simple expedient of urging the rest of the world to imitate Canada. Some elements in our experience may well have relevance elsewhere, and I am sure that Canada can play a constructive part in the world by following certain principles which have proved valid in the building of our national society. But the circumstances of the world's people are infinitely varied. We must seek to create an international order which is flexible enough and broad enough to take account of all the varieties of human experience.

Two basic features of a stable order, such as we see in a nation state like Canada, are laws and governments which enact and enforce those laws. The durability of any organized society of human beings depends very much on the interrelation of law and government. If neither exists in adequate form, there is disorder or anarchy. Therefore our search for world order should aim at the development of some counterpart on the international plane of domestic law and government.

Fortunately the world is not in a state of anarchy, although there is still a considerable amount of disorder. This suggests that some form of law does exist internationally. We do not, however, have anything like a world government. We do have the United Nations, which could perhaps perform certain functions analogous to those of a national government if we gave it the requisite authority. I shall say something more about the United Nations in a moment. Let us first look at international law.

Because of the different nature of the subjects of the two legal systems, the domestic and the international, it is highly improbable that we shall ever have an international replica of the institutions that promulgate and enforce

domestic legal systems. However, we are closer to having a comprehensive legal framework for international dealings than many people suspect, and the similarities between the domestic and international bodies of law are greater than many suspect.

Let us consider the sources of international law. Domestically, law-creating goes on at many levels. The legislature, the missing element on the international plane, is a prolific source of law. But so also are contracts (by which individuals consent to be bound by rules of conduct they themselves establish), custom, the decisions of the courts, and the opinions of great writers on law. All these have parallels in international law.

Treaties, whether they be bilateral or multilateral, are the counterpart of contracts, for they create law by consent among nations. Custom is often a source of international law and, in fact, some of the great conventions, like that on diplomatic relations, are codification of years of custom. The importance of custom is given formal recognition by the Statute of the International Court of Justice, which permits the Court to apply "the general principles of law recognized by civilized nations". Even countries other than those which are parties to disputes are influenced by the decisions of the International Court of Justice and may consider themselves bound by decisions which define the nature and scope of principles of international law. And then there is the work of the writers on international law, whose contributions are just as significant as those in the domestic sphere.

There is even some international parallel to domestic legislation. The great multilateral conventions bear many of the marks of legislation. They embrace the largest part of the world community in their scope and the terms in which they are couched are a reflection of the majority will, achieved very often by compromise, debate, and a vote. And surely the regulations being generated by the Specialized Agencies of the United Nations bear many of the characteristics of legislation.

While the systems that have developed for promulgating international law are certainly not the most orderly or effective that can be devised, they do clearly serve the function of producing rules which are useful and which are given very wide recognition. The increased flexibility that arises from the less formal procedures may ensure that the rules correspond to existing conditions and change with them more readily than might otherwise be the case. This more haphazard method of promulgating rules of international law may provide a measure of insurance that states, the subjects of international law, will be able to regulate their affairs more effectively than would be the case under a more rigid system.

Granting, therefore, that there is a relatively well-organized procedure which produces international law, can the system of international law work without a formal system of enforcement? Undoubtedly, if the parallels between international law and domestic law were exact, then an organized system of enforcement would be the most effective method of ensuring compliance with the law. However, to the extent that international law does exist, it is with the consent of the overwhelming majority of all nations and it therefore has the best teeth of any law system in the world.

There is no greater assurance of the enforceability of the law than that its subjects wish it to be enforced and, however tempting the prospect,

will not breach it. Let us remember, when we think of systems of domestic law which are so often regarded as valid because they carry with them sanctions, that when the sanctions need to be applied the rule of law has broken down. In the international field, the sanctions are weak and imperfect. But, just because they are weak and sometimes not applied, the extent to which the law is followed is made more significant.

I do not wish to sound complacent about the state of international law today. There is certainly not enough of it. The machinery producing it is not smooth. There are many other criticisms that may be levelled against our body of existing international law. But laws are enforceable only to the extent that they reflect the will of the community. As nations accelerate their relations with one another and as they grow more dependent on one another, there arises an ever-increasing need for rules and regulations to govern their relations. There does exist in the international community a growing and profound recognition of the need for the development of the rule of law.

Admittedly, for the foreseeable future, states are not likely to surrender any more of their sovereignty to the United Nations organs or to the International Court of Justice than they consider to be necessary for the protection of their interests. It follows, therefore, that the effectiveness of international law depends, in large measure, upon the general consent of the international community, as it finds expression in formal principles of law.

Let us now consider the United Nations as a possible instrument for world order.

The purposes of the United Nations according to its Charter are to maintain international peace and security, to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, to achieve international co-operation in solving international problems of an economic, social, cultural or humanitarian character and in promoting and encouraging respect for human rights, and to be a centre for harmonizing the actions of nations in the attainment of these common ends.

No serious observer would deny that the United Nations is not fulfilling these purposes as well as it might. But we tend to make two mistakes in judging the United Nations performance. The first is to believe that the organization is actually a hindrance to the achievement of its purposes. I think the record of achievement, if judged as a whole, demonstrates that much has been done, even though not enough, to attain "these common ends". The second mistake is to assume that any falling-short of the goals outlined in the Charter is evidence of failure and of the need for a new Charter.

The United Nations has had its failures and its successes. But no one should expect it to operate as though ideals could be translated into realities before a lengthy period of experiment, false starts and slow progress. There is really no substitute for time. To quote Dag Hammarskjöld: "Just as the first temptation of the realist is the illusion of cynicism, so the first temptation of the idealist is the illusion of Utopia".

Criticism of the United Nations most frequently relates to the maintenance of peace and security. It is said that the United Nations is rarely able to settle disputes peacefully and that, when it does have a role

(for example, by sending peacekeeping forces), United Nations intervention may tend to prolong a dispute rather than shorten it. Yet in the history of United Nations involvement in disputes there are many occasions where the action taken by the United Nations has been instrumental in saving the situation and in preventing or controlling hostilities.

Conversely, there have been some disputes which the United Nations has not been able to deal with for reasons inherent in its organization and nature. It was never expected that the United Nations could deal with disputes between the great powers, for example; the veto reflects this reality. When one great power, China, is not even represented at the organization, disputes involving China are usually outside the political capacity of the United Nations to influence or control.

Nevertheless, more attention and effort does need to be given to the settlement of disputes at an early stage, before they develop to the point where some form of peace-keeping becomes the only alternative to violence and war. The Charter states that the parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall first of all seek a solution by negotiation, enquiry, mediation, conciliation, etc. The United Nations, in other words, is a secondary resource for dispute settlement, and is chiefly concerned with disputes which threaten the maintenance of peace and security. Whether it can act or not depends on the willingness of the parties to find a settlement and sometimes on the willingness of the permanent members of the Security Council to co-operate in recommending or deciding what is to be done.

The Canadian Government has been particularly conscious of these matters over the past 18 months, when we have been serving our third term of office on the Security Council.

I think, in particular, of the Council's efforts to bring about peaceful conditions in the Middle East and to settle the dispute in Cyprus.

Since May 23, 1967, when Canada and Denmark called for a meeting of the Council to consider the situation in the Middle East, the Council has met more than 50 times on this subject alone. The main United Nations presence in the area, the United Nations Emergency Force, has been withdrawn, but some 200 United Nations observers watch over the Israel-Syria and Israel-U.A.R. cease-fire lines, and a United Nations representative has been asked to examine with the parties the basis for a possible settlement. If the Security Council can build on the basic common interest of all concerned, to prevent the situation from becoming a serious threat to world peace, then there may be some hope for a successful outcome. However, the United Nations cannot offer or find a magic formula if none exists. What it has done and can do again is to offer its services as a third-party presence and conciliator. If there is a willingness to co-operate, it can help to work out a solution. If there is no such willingness, the answer to the riddle will have to be found elsewhere.

The situation in Cyprus has also been a special cause of concern to the Security Council in recent months. Last November there was a menacing threat of war between Greece and Turkey, averted only by the timely intervention of representatives of the President of the United States and of the Secretary-General of the United Nations. Fortunately, since the crisis there have been

renewed efforts between the parties to find a settlement, which I hope may soon bear fruit.

The United Nations Force on Cyprus, in which Canada participates, has been there now for more than four years. There is no doubt that it has helped to keep the island relatively peaceful and that its presence during that time, and particularly last November, helped to provide a way out for those who might otherwise have felt compelled to use force. That is one of the main purposes of a United Nations presence -- to act as a face-saving device, a diplomatic hurdle which is conveniently too high to seem worth jumping. Nevertheless, I should hope that UNFICYP would remain a hurdle and not become a fence, for another function of a United Nations presence is that it should encourage, not discourage, a political settlement. I hope the time may be soon approaching in Cyprus when the United Nations can best encourage a settlement by setting in motion the procedures of gradual disengagement and withdrawal, thus signifying both its confidence in the improvement that has already taken place on the island and its serious expectation of further progress toward settlement.

Peaceful settlement and peaceful change clearly must have priority in our thinking about United Nations peace-keeping, even though these are difficult conceptions to translate into practice in specific circumstances. Nevertheless, it is important for the United Nations to prepare for future peacekeeping responsibilities. If we cannot settle a particular dispute and if it is likely to threaten the peace, the United Nations may be the only agency which can intervene in order to stop the conflict or threat of conflict from spreading or escalating. This is because the United Nations usually has both the political impartiality and the military capacity to be of practical service. For these reasons, it should be our objective to extend the area of United Nations control to disputes (the most obvious example is, of course, the situation in Vietnam) which are now outside this area. Regional organizations may be able to do something where disputes are relatively minor and where all the members of the organization have an equal interest in settlement. But many disputes will be beyond the capacities of regional bodies to manage.

Canada has given strong support to all efforts at the United Nations to prepare in advance for peacekeeping emergencies -- by the earmarking of military or civilian personnel, services and facilities, by the preparation of standard operating and training procedures, by the standardization of equipment, and so on. These efforts have not yielded much result so far because there has been political disagreement about how the United Nations should authorize and control peacekeeping forces; until this argument is settled there has been a reluctance to make the technical military preparations which are desirable. However, I am glad to note that in the past few weeks there has been some willingness on both sides of the argument to put it to one side while work goes forward on the other aspects of peace-keeping I have mentioned. The log-jam is not yet entirely broken. But I am encouraged by the signs of progress.

I hope that the United Nations can substantially improve upon the practices of the past. We should emphasize the importance of a peacekeeping operation having a clearly defined and feasible mandate; of obtaining full co-operation from the host government; of spreading the responsibilities for peace-keeping as equitably amongst the international community as circumstances

will allow in each case; of dividing the costs fairly; and of making as efficient as possible the lines of communication and authority between the Council, the Secretary-General and the force commander.

There are, of course, a number of other very important areas of functioning for the United Nations besides peace-keeping and peaceful settlement of dispute. Canada is equally active in these areas. In a world where confrontation between the "haves" and the "have-nots", between the developed "North" and the underdeveloped "South", is perhaps even more dangerous than that between the nuclear giants, the obligation on all governments and peoples to unite in a massive assault on poverty and under-development is clear. This is why in a time of some financial stress we are maintaining the growth of our aid programme unimpaired.

It is equally essential that, as citizens of the world, we maintain our respect for the rights of man as an individual. The recent conference on human rights at Tehran has focused attention on the United Nations accomplishments over the past 20 years -- the Declaration of Human Rights, the Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, and the Convention on Racial Discrimination, as well as the conventions of the International Labour Organization and other Specialized Agencies. These are particular cases of the development of international law which I spoke about in general terms a moment ago.

I have chosen to emphasize the growth of international law and the development of the United Nations role in the peaceful settlement of disputes as critical but promising bases for the evolution of a stable world order. These are matters in which Canada can make a worthwhile contribution, in which we have been playing an important role and in which I hope we shall be increasingly active in a constructive way.

My own view is that the achievement of world order based on the rule of law is a gradual process and that Canadian policy should be based on that premise. The international community may be able to take some major steps forward from time to time -- the establishment of the United Nations was one of them -- but I doubt the possibility of a giant leap from the nation state to world government. I realize, however, that the World Federalists would like to see the Canadian Government espouse the establishment of a supra-national authority as a specific aim of Canadian foreign policy. Let us agree to have a dialogue on this subject. If you would consider what I have said tonight as the opening round, we might arrange a further engagement sometime after June 25.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/15

CANADA AND THE UNITED NATIONS, 1968

Text of a Speech by the Honourable Mitchell Sharp,
Secretary of State for External Affairs, to the
Twenty-third Session of the United Nations General
Assembly, October 9, 1968.

. . . My country . . . has made special efforts since 1945 to implement the principles of the Charter and to nurture the growth of this organization. Speaking in this Assembly for the first time as the representative of a new Canadian Government, I wish to re-affirm Canada's determination to do all it can to support these principles. It is our aim to help to achieve a better world by strengthening the United Nations and its agencies as indispensable instruments for international co-operation.

Canada's contribution will be pragmatic and realistic. It will be based on our assessment of what the situation requires the United Nations to do and what Canada can best do in the fulfilment of its responsibilities as a faithful member of the United Nations. In matters of peace and war there are limits on the kinds of agreement likely to be reached. Member states, however, must work towards strengthening the authority of the organization. Success will come slowly. Some would use this forum for the ends of propaganda alone. Others sincerely expect the Assembly to act as a quasi-government or legislature. Our yardstick ought to be the capacity of the United Nations to perform the functions which are its proper responsibility and on which there can be at any time a reasonable measure of agreement.

Canada's experience has led us to value our independence while recognizing the interdependence of all states in the modern world; to prize political diversity and cultural freedom; to cherish pride of country but to mistrust chauvinistic dogmas; to adapt but not to overthrow the traditions we have inherited from others; to govern by consent. We believe it is possible, indeed essential, to reconcile the affinities of geography and history and the close associations they imply with the universal conceptions set out in the Charter of equal rights, territorial integrity and political independence.

It follows that we cannot accept that a community of interest, real or alleged, political, cultural or economic, entitles one country to take upon itself the right to interfere in the internal affairs of another. In the Commonwealth of Nations to which we belong, the right of national self-determination is so taken for granted that member countries are free to develop ties with any other countries, including socialist countries.

CZECHOSLOVAKIA

Above all, no international order can be founded or can exist on the self-appointed right of any government or group of governments to impose their policies on other sovereign states by force. The invasion of Czechoslovakia by the Soviet Union and some of its allies, was nothing less than the assertion of a proprietary right of a great power to exercise domination over Eastern Europe under the guise of a "fraternal" ideological relation. It was naked power politics without regard to the Charter of the United Nations. Have the Governments of the U.S.S.R. and its allies forgotten that, less than two years ago, this Assembly, by a vote of 109 to none declared:

"No state has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other states. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the state or against its political, economic and cultural elements, are condemned."

Although we are bound to take note of the wishes of the Government of Czechoslovakia that the Security Council refrain from further action at this time, the Council quite rightly remains seized of this question, which has profound implications for the independence and sovereignty of all member states. The concern of members of the United Nations for Czechoslovakia, its leaders and its people will inevitably continue until the soil of that country is once again free of foreign troops.

We must also be aware of the danger to peace in Europe arising from recent charges levelled by the Soviet Union against the Federal German Republic and the evocation of an alleged unilateral right of intervention in yet another country. In the view of Canada, no such right exists.

While condemning the Soviet Union and its allies for what they have done, we must be ready to seize every opportunity for serious and constructive discussion of the issues that divide East and West. So long as Soviet troops remain on Czechoslovakian territory, the progress of such discussions will of necessity be slow and cautious. But there is one area in which we must press on: negotiations to end the arms race should be pursued vigorously. Progress on this front will benefit all nations, including Czechoslovakia.

ARMS RACE

Canada -- and no doubt a great majority of members of the United Nations -- was heartened by the announcement of the United States and the Soviet Union on July 1 of their agreement to begin negotiations on the limitation of strategic nuclear weapons, including anti-ballistic missiles. I urge the United States and the Soviet Union to begin these talks without delay and to support the early resumption of negotiations in the Eighteen-Nation Disarmament Committee on a comprehensive test-ban, a halt in the production of fissionable material for military purposes and the reduction and subsequent elimination of nuclear stock-piles.

Since we last met, the Treaty on the Non-Proliferation of Nuclear Weapons was opened for signature and has been signed by some 80 countries. Canada has signed the Treaty and in due course intends to ratify it. All countries should help to realize the Treaty's full potential by acceding to it soon.

The continued use of force in international disputes and the incalculable human suffering caused by war have drawn attention to the part played by the traffic in conventional arms in contributing to the conditions which lead to outbreaks of violence. In the days of the League of Nations, efforts were made to impose some restraints on the arms traffic by publicizing statistics about weapons and other types of armament transferred between states. In our view, the conception of an international register of arms-transfers should be revived.

My Government is interested, too, in the possibility of limiting supplies of armaments in regions of acute political and military confrontation and has noted with approval the recent indication that, under certain conditions, the U.S.S.R. favours "the implementation of measures for regional disarmament and reduction of armaments in various parts of the world, including the Middle East".

NIGERIA

Next to the fear of war, which I have so far been discussing in its various current aspects, we are all keenly aware that hunger and serious privation are issues which, especially when they reach disastrous proportions, cannot be ignored in this body. The Secretary-General recognized this point when he drew to our attention the situation in Nigeria in the introduction in his annual report.

The Canadian delegation acknowledges and fully understands the request of the Organization of African Unity that governments abstain from any action which might impair the unity, territorial integrity and peace of Nigeria. We are also aware and appreciative of the efforts made by the Government of Nigeria and many other governments to deal with the humanitarian issues. We trust that such efforts will expand in keeping with the requirements of the situation. In the face of the human tragedy which has unfolded before our eyes, it is only natural that people everywhere should feel deep sympathy for the Nigerian people and be anxious that no international effort be spared to come to the help of those in need.

Because of our sympathy and concern for the Nigerian people, the Canadian Government is providing Hercules aircraft with crews and has allocated over \$1 million for relief supplies for Nigeria through the international Red Cross, whose invaluable service on this occasion, despite the difficulties arising from civil war, has given us grounds for admiration. In addition, Canadian voluntary agencies have made substantial contributions. My Government also agreed, at the request of the Government of Nigeria, to participate in the international team which has been observing the situation in the territories of the Eastern Region where Federal Government authority has been restored and whose continuing reports will give an impartial account of what is happening. The reports should be as full and detailed as possible in order to serve their intended purpose.

We do not yet know the full dimensions of the problems of immediate relief which may be required, still less the extent of reconstruction which will face the people of Nigeria when peace, we hope, is mercifully and quickly restored. We do know that these problems will call for international co-operation and assistance on a substantial scale. Canada stands ready to play a full part.

MIDDLE EAST

In the Middle East, continuing tension and sporadic fighting between Israel and its neighbours sow the seeds of future conflict. There is a danger that the escalation of violence in the Middle East could involve outside powers and thus constitute a grave threat to world peace. Yet we are all conscious that the time and effort devoted to settle this dispute since the end of the fighting in June 1967 has led to no improvement in the situation. Agreement by the Security Council last November to certain basic provisions and principles for a just and lasting peace in the Middle East was an important achievement. But principles are of little use unless the parties accept in good faith the duty of implementing them fully and effectively.

The Canadian Government reaffirms its support for Security Council Resolution 242 of November 22, 1967, in all its parts, and pays tribute to the patient and tenacious efforts of the special representative of the Secretary-General, Ambassador Jarring, to assist the parties. We give him our full support, and call upon the parties to use his good offices and earnestly seek agreement on a peaceful and accepted settlement based on the provisions and principles of Resolution 242. This is particularly important in the days which lie ahead when foreign ministers are in New York and readily available to consult.

ARAB REFUGEES

The events of June 1967 tragically aggravated the problem of the Palestine refugees. I am sure I speak for all member countries when I pay tribute to the work of the Commissioner-General of the United Nations Relief and Works Agency and his staff. In extremely difficult conditions, the Agency, in conjunction with the host Governments, has carried out its responsibilities with perseverance, skill and compassion. In recognition of the vital need for UNWRA to continue its work, my Government, during the current fiscal year, maintained its voluntary pledge of cash and food aid valued at \$1.2 million and, in addition, contributed to the Agency the equivalent of \$650,000 in special donations.

The Agency can assist in supplying the refugees with the basic requirements for subsistence, and it has done notable work in providing education for thousands of refugee children. For the future, however, what is required is a just settlement which would offer the refugees the opportunity of living in peace and dignity. A solution to the refugee problem will only be feasible in the context of an agreed settlement between the Arab states and Israel. Meanwhile, pending the attainment of such a settlement, this urgent humanitarian problem remains. My Government, therefore, calls upon all member states to demonstrate the reality of their concern for the refugees by supporting, tangibly and generously, the operations of UNWRA.

VIETNAM

It is deeply discouraging that no tangible progress has been made towards a negotiated settlement in Vietnam. The high hopes universally aroused by the initiation of the talks in Paris reflected the overwhelming desire of mankind to see this agonizing and destructive conflict brought to an end.

While it is appropriate that this body should be concerned with the situation in Vietnam, responsibility rests in the final analysis with the two sides to the conflict. Canada has already expressed the view that the bombing of North Vietnam should stop. This is an essential first step. But a political settlement requires a general military de-escalation, and North Vietnam must demonstrate its willingness to contribute to this process.

RACIAL DISCRIMINATION

We are often reminded that the United Nations is a centre for harmonizing the actions of nations. One of the main threats to such harmony is racial discrimination and the effects it has on international stability. The divisions amongst the membership which these questions provoke must not be allowed to lead to a breakdown in communication between us. The object is clear: it is to ensure that the majority of the peoples of the countries of Southern Africa will no longer be deprived of their rightful place in the political, economic and social development of their countries.

The main issues are the future of South West Africa and Rhodesia, the question of apartheid in South Africa, and the refusal of the Government of Portugal to accept the overwhelming opinion of this Assembly in favour of self-determination for the peoples of Angola, Mozambique and Portuguese Guinea. In all four situations, minority groups have decided that they alone have the right to determine for an indefinite period the rate of progress and the capacity to govern of the unenfranchised majority. These inequities must be ended. The process of peaceful change must be accelerated.

But how? We are all looking for some way out of the present impasse over South West Africa. At the twenty-second session of the Assembly, the Canadian representative suggested that the Assembly explore the offer made by the Foreign Minister of South Africa to receive a personal representative of the Secretary-General, without prejudice to any position which may have been taken by members of this organization. We still hope that this approach can be followed up. We are prepared to consider other approaches if they command a wide measure of agreement and if they are realistic.

We have agreed on the principles of United Nations action against Rhodesia. We must do everything possible to see that these decisions are carried out by all states, and especially by South Africa and Portugal. We must continue also to confront these two states with our unanimous judgment that policies of racial repression and political subjugation are incompatible with United Nations principles. Canada respects and intends to abide by the decisions of the Security Council.

HUMAN RIGHTS

Violations of human rights are not restricted to Southern Africa. All member states are under an obligation to look to their own records of achievement in protecting human rights. My Government supports the initiatives which have been taken in the United Nations in the formulation of the various international covenants and declarations in the field of human rights. Canadian legislation reflects this concern in various enactments prohibiting discrimination based on sex, race, colour, creed or national origin, in living practices, conditions of employment, public accommodation and trade union membership. Voluntary organizations have promoted amongst all Canadians an awareness of their basic rights. Several provinces have established human rights commissions or ombudsmen, and a bill of rights enumerating individual rights has been adopted by the federal Parliament. The Federal Government is proposing entrenchment of a code of human rights in our constitution.

In order to facilitate the implementation of such covenants and conventions, my Government recognizes the need for new approaches to the machinery of implementation. The proposal to create an Office of the High Commissioner for Human Rights is, in this context, an important and welcome development, which I believe deserves the broadest possible support from member states.

PLIGHT OF CIVILIANS IN WAR

In the broader context of human rights, the review of the arrangements for co-ordination between the activities of international relief agencies in case of natural disasters should, we think, be extended to cases of hostilities, so that, in such cases also, assistance can be provided quickly and effectively to the innocent victims involved.

ECONOMIC DEVELOPMENT

This organization is dedicated to the elimination of poverty, ignorance and disease. At the end of the First Development Decade, this goal is still far off. We can look back with satisfaction to some achievements --I think of the establishment of the United Nations Development Programme for example-- and we have learned some lessons. We have learned that economic development is a long-term process and that co-ordination of international programmes involves more than setting targets and adjusting priorities. We know better now that the terms and conditions under which aid is offered are of fundamental importance, as is the relation of trade to aid. We realize that the improvement of agricultural techniques is critical to the whole development process.

Nevertheless, there is no hiding the fact that the level of international assistance to developing countries is inadequate. The needs grow faster than the resources are made available, partly because population increases so rapidly. So far as Canada is concerned, our aid programme will continue to grow year by year to reach the goal of one per cent of the gross national product as quickly as possible. We are pursuing a set of economic policies which will free resources for high-priority purposes, and, notwithstanding the

imposition of strict limitations on expenditures in general, our aid effort will increase substantially next year. This includes an increase of 25 per cent in our contribution to the United Nations Development Programme in the coming year, as well as significant increases in our contributions to the United Nations Children's Fund and for the United Nations High Commissioner for Refugees. At the same time, we have always recognized the importance of the terms of aid, and have, therefore, through extensive use of grants and long-term, low-interest, loans, sought to meet the needs of recipient countries.

On the eve of the Second Development Decade, we in Canada look forward to the conclusions of two major evaluations of development assistance and related policies of trade-- one commissioned by the UNDP and one by the World Bank. The latter is to be headed by a former Prime Minister of Canada, the Right Honourable L. B. Pearson. There has been some scepticism whether resources made available for development purposes have been used with maximum efficiency. These assessments should identify the lessons to be learned from past experience and provide useful indications as to the policies to be pursued in the future. In this context, there may be greater confidence in development operations and, we hope, greater willingness on the part of developed countries to increase their contributions.

It seems apparent that, to a significant degree, the gap between the more-developed and less-developed societies reflects the differences in the extent to which they have learned to apply the techniques and the fruits of science and technology to their fundamental development problems. No mere transfer of the experience of the more-developed nations can bridge this gap. The developing nations require their own capabilities in the field of science and technology. For this purpose, they must have ready access to the reservoir of knowledge and experience which exists elsewhere, and their efforts to adapt these to their own special needs and aspirations should be welcomed.

Recognizing this, the Canadian Government intends to establish in Canada an institution devoted to the practical application of science and technology to the fundamental social and economic problems of development. This institution will have a directing board and staff drawn from many countries, and the results of its studies will be freely available to the international community. It will be designed to add a new dimension to the search for solutions to those social and economic ills which are the root cause of so many of the difficulties brought to this Assembly.

My Government recognizes that the terms of world trade must be improved if the developing countries are to be able to utilize technological change to greater effect and attract investment capital. We have heard various comments from this rostrum about the Second United Nations Conference on Trade and Development. No one can be content with its results. But it is an encouraging fact that, as new forms of aid such as tariff preferences are formulated in UNCTAD, the need for far-reaching changes in the working methods of the organization have also been recognized. We look forward to the presentation by the President of the Second UNCTAD Conference to the General Assembly in plenary session of the issues raised at the Conference in New Delhi.

PROBLEMS OF HUMAN ENVIRONMENT

The Canadian delegation welcomes the fact that, in addition to examining comparatively unfamiliar questions relating to outer space and the ocean-floor, attention will be paid at this session to the problems of the human environment. We in Canada are keenly aware that the effects of pollution of the air and water respect no boundary. We and our neighbour the United States have together pioneered in the development of international machinery to deal with this problem. For these reasons we have welcomed the initiative of Sweden to have this important matter considered as a problem of world significance and, therefore, one which it would be appropriate to deal with in the first instance in plenary session.

PEACE-KEEPING

Despite the scientific revolution and startling advances in world organization, the sad fact is that governments are all too often forced to give military expenditures priority over the requirements of peaceful development. Resources which might be used to increase production and foster education must be applied to reconstruction and relief. It may be utopian to believe we can banish the use of force in relations amongst states. But we must strengthen the capacity of the United Nations to act as an agency for the control of conflict and the mediation of disputes.

My Government is encouraged by the signs of progress in the Special Committee on Peacekeeping Operations. We have been among those governments which have attempted to contribute to this work by summarizing their own practices and by pointing to the lessons which might be drawn. Papers on observer missions, prepared by the Secretary-General and now being studied by a working group of the Special Committee, represent a significant contribution to our study of peace-keeping in all its aspects. Discussions due to take place in the Committee should help in narrowing the differences among member states about preparations for peace-keeping. I hope the Assembly will instruct the Committee to expand its investigation to include other aspects of United Nations peacekeeping experience and attempt to draw some agreed conclusions. In this way, we should be able to develop an understanding about the practice of peace-keeping acceptable to all.

UNIVERSALITY OF UNITED NATIONS

We shall not be able to improve very much the capacity of the United Nations to realize its full potential in promoting peace and security unless the institution itself reflects the world as it is. The question of universality of membership remains pressing. We regret the absence from this Assembly of states that play an important part in world affairs.

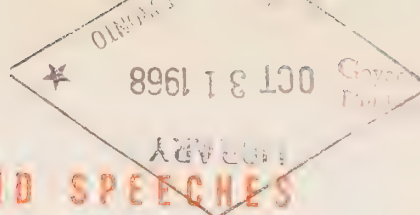
The question of the representation of China is the most important of these issues, even though it is not strictly a question of membership. My Government has made public its decision to explore the possibilities of entering into diplomatic relations with the Government of the People's Republic of China. It is not in the long-term interests of world peace and security that the government in Peking should remain isolated. For this reason, we think that this government should be represented at the United Nations. We should welcome any equitable proposal which would facilitate the representation of the People's Republic of China in this organization - having regard, however, to the rights of existing members.

CONCLUSION

The United Nations is a very different organization from the one Canada helped to found more than 20 years ago. Its membership has almost tripled. It has formulated new priorities and is moving in new directions. It has demonstrated powers of adaptation in response to new demands. Human rights, economic development, co-operation in new environments, such as outer space and the ocean-floor, have taken their place as matters of major concern alongside the more traditional but nonetheless vital questions of war and peace. Indeed, it is now understood better than it was that all these questions interact.

As we endeavour to meet new challenges, we should not lose sight of the fact that the effectiveness of the United Nations is bound to be measured in the eyes of world opinion against the practical results which follow from our resolutions. It is not by the number of resolutions that we pass that posterity will judge us but rather by the determination that we show in dealing with the pressing issues of our times and in carrying out the decisions that we make. In this spirit, on behalf of Canada, I pledge sustained and vigorous support of the United Nations.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/16 CANADA ASSESSES THE INVASION OF CZECHOSLOVAKIA

Speech by the Secretary of State for External Affairs,
the Honourable Mitchell Sharp, to the Ukrainian Canadian
Congress, Winnipeg, October 13, 1968.

Three years ago, at the last Congress of the Ukrainian Canadian Committee, you observed the twenty-fifth anniversary of the Committee's foundation. On that occasion, my predecessor as Secretary of State for External Affairs, the Honourable Paul Martin, spoke to the Congress about Canadian foreign policy and took as one of his main themes our relations with the Communist world, and especially the U.S.S.R. and Eastern Europe.

I return to that theme now, before an audience that exemplifies Canada's historic ties with the European continent. The civilization of the Ukraine, in which you and your fathers have enabled us all to share, has flourished for centuries in its own soil, and flourishes now in the no less fertile soil of Canada. No one like myself who grew up in Winnipeg could possibly be unaware of the immense contribution of Ukrainian Canadians to the development of our country. Your community is one of the major components of the Canadian mosaic. Last year, when we celebrated our centennial, all Canadians had an occasion to review with pride the strength, prosperity and unity that our country has achieved over the past 100 years by the joint efforts of people with widely-diversified origins. I have not the slightest doubt that in Canada's second century Canadians of Ukrainian background will play just as important a role as they have in the past, under wise leadership like that of Monsignor Kushnir and drawing on the talents of distinguished men in public life such as my friend Michael Starr.

I noticed in the papers you have been considering at this Congress that you are looking forward to the future and not simply recalling the achievements of the past. That is what we must all be doing at this point in Canadian history. The future of our country will be what we make it - what we do ourselves with the resources and the cultural and political heritage that have been passed on to us. Our heritage, fortunately, is largely one of peaceful progress in a stable environment, unlike many countries in other parts of the world.

During the past three years the world scene has been changing rapidly and not least in Europe. There the Communist world and the free world have been face to face for over 20 years. The issues dividing them have been the most vital and the most intractable and yet paradoxically there has been a surprising degree of stability. But it has been the stability of impasse. No progress has been made to solve the major issues such as the reunification of Germany and European security. Both sides, fearing a nuclear holocaust, have counselled caution. They still do.

But notwithstanding the impasse between East and West, significant changes have been taking place in Europe.

Over the past ten years, Western Europe has been one of the most dynamic areas of the world. During the last five years, the same kind of dynamism began to emerge in Eastern Europe as well. East-West relations were affected. The frozen postures of years began to dissolve. It even became possible to envisage an equitable European settlement, and, indeed, the development of genuine peace and co-operation between East and West, not only in Europe but in the world at large, without the abandonment of basic principles on either side. Then, suddenly, without warning, the U.S.S.R. and its allies invaded Czechoslovakia. The evolution was arrested. Hopes were deflated.

Canada cannot dissociate itself from what happens in Europe. Our interests there - not only our interest in East-West relations to which I have referred but our day-to-day relations with each European country - are all subject to evolution and change.

Europe has changed enormously in the last few years, and so has Canada. For this reason, when the present Government assumed office we immediately put in train a thoroughgoing review of several of the principal areas of Canadian foreign policy, including our relations with Europe. We want to determine for ourselves whether Canadian policies accord with contemporary conditions in Canada and the world, and whether we are using the most effective means of carrying those policies out.

As you know, these reviews have not yet been completed, and I am not, therefore, in a position to present any conclusions to you tonight. But when they are ready we shall be presenting our conclusions to Parliament and to the people for the fullest and frankest discussion.

In the meantime, however, let me assure you that, as our review proceeds, it necessarily takes account of events as they unfold. The invasion of Czechoslovakia, for example, has the greatest relevance both to our review of defence policy and our study of Canadian relations with Europe. Nor is our examination of this subject limited to the Canadian scene. We are considering with our allies in NATO the ramifications of the continuing Soviet military occupation of Czechoslovakia.

The invasion and occupation of Czechoslovakia by the Soviet Union and its allies was a harsh and chilling reminder that we must still live with the legacies of the past - that the peaceful evolution of Europe toward détente, out of which entente might in due course emerge, is seen as intolerable by those to whom freedom is a threat and any change a counter-revolution. Yet, if any real and enduring understanding between East and West is to be achieved, there must be a transformation of attitudes. Unless that takes place there is little hope for the development of mutual understanding.

What sort of transformation is possible? We do not expect the abandonment of their social system by the Communist states. We have no intention of abandoning ours. Given these basic positions, we can hope for progress only through the slow development of confidence, based on genuine respect for differences. No Western country had any part in the course of reform which Czechoslovakia took at the beginning of this year. Knowing the risks they ran, and respecting the choices they would make, it would have been irresponsible and wrong to have sought to influence the Czechoslovak people in their course. We responded with friendship to their friendship freely offered. We never questioned their right or intention to retain their ties with the rest of Eastern Europe. We could only hope, as the Czechoslovaks did, that the Soviet Union would not find freedom and friendship intolerably inconsistent with the principles by which its own policies are governed.

Our hopes, and the hopes, as I have said, of all on both sides who believe that genuine East-West confidence and co-operation is possible, have been callously crushed. Thinking people must now ask themselves whether peaceful co-operation is really possible, when the Soviet Union, without the least justification and ignoring the basic principles of international law and of the United Nations Charter -- the sovereign equality of states and their obligation to refrain from the use of force against the territorial integrity or political independence of others --, is openly coercing Czechoslovakia by military occupation. In addressing the General Assembly of the United Nations last week, I reminded delegates that, less than two years ago, as a result of an initiative by the U.S.S.R. itself, the Assembly had declared, with no dissenting voice, that: "No state has the right to intervene, directly or indirectly, for any reason whatever, in the internal affairs of any other state. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the state or against its political, economic and cultural elements, are condemned".

But such principles, the Soviet Government itself now tells us, are of no importance when the U.S.S.R. decides that its own political interests are better served without them. "Nobody," we are told, "will be allowed to wrest a single link from the socialist chain." The metaphor is unfortunately all too apt.

I told the United Nations General Assembly that, for our part, Canada cannot and will not accept the claim that some alleged community of interest, be it political or cultural or economic, can ever under any circumstances entitle one country to interfere in the internal affairs of another. We recognize no "spheres of influence". States have every right to their legitimate security interests, but not at the expense of the sovereignty and

independence of others. States have every right to protect their own social and political and economic systems, but not at the expense of others whose choice is different from theirs. The principle of non-intervention is absolutely fundamental to international relations. If it is not observed, there can be no confidence between states and therefore no relations which can go beyond fear and mistrust.

When the invasion of Czechoslovakia occurred, Canada condemned it unequivocally. On the day of the invasion, I summoned the representatives of the invading powers and informed them clearly and in strong terms of our condemnation. We and like-minded fellow-members of the Security Council also requested that the Council be called into emergency session. On the following day, August 22, Canada and six other co-sponsors introduced a resolution which affirmed the sovereignty, political independence and territorial integrity of Czechoslovakia; condemned the interference of the U.S.S.R. and other members of the Warsaw Pact in the internal affairs of Czechoslovakia and called upon them to withdraw forthwith; and called upon members of the United Nations to exercise their diplomatic influence on the invading countries to bring about prompt implementation of the resolution.

When this resolution was vetoed by the U.S.S.R., Canada introduced a further resolution requesting the despatch of a special United Nations representative to Prague to seek the release and ensure the personal safety of the Czechoslovak leaders then under Soviet arrest. Happily, by the next day, we learned that the intentions of this initiative had been achieved, largely through the courage of the Czechoslovak leaders themselves.

The harsh reality remains, however, that hundreds of thousands of foreign troops, with their armour and aircraft, remain on Czechoslovak soil. In many ways the situation now is more complex and difficult than it was in the immediate aftermath of the invasion. We have no right, any more than has the Soviet Union, to interfere in the internal affairs of Czechoslovakia. It would certainly be no service to the Czechoslovak Government or people for us to behave in such a way as to lend substance to the empty Soviet claims that Czechoslovakia was acting as a tool of Western interests. Nor, indeed, would it be in the interests of the West or of Czechoslovakia to ignore another reality, which is that, ultimately, only the Czechoslovak people can work out their own destiny. I am confident, nevertheless, that their ordeal will end in their triumph.

What then can we do? Certainly we cannot behave as if nothing has happened. Certainly the realities I have mentioned demand a policy designed to meet them.

The first steps were obviously to provide on an emergency basis for those refugees from Czechoslovakia who sought to come to Canada. Circumstances so far have been different from those in Hungary in 1956, so that comparably large numbers of refugees have not left Czechoslovakia. Nevertheless, we took measures promptly as soon as it became clear that even a relatively small flow was about to begin, in accordance with the Government's declared policy that all those Czechoslovak refugees who want to come to Canada will be welcome.

We had also to consider how best to demonstrate in concrete form the condemnation we had expressed of the invasion of Czechoslovakia. The representatives of the invading countries have sought to maintain that their action should have no effect on their relations with Canada and that, in effect, their aggression was nobody's business but their own. I have made it clear to them that that is far from our view, that our relations have inevitably been severely strained and that they cannot be restored, at least until the occupying forces are withdrawn from Czechoslovakia.

Much of the substance of those relations has been in exchange of visits by individuals and delegations, and in the exchange of information in various technical and scientific fields. Where these exchanges have had political content, it is clearly inopportune that they should continue at this time. Nor would it be consistent with our policy to embark on new projects for the present. Similarly, since the Canadian people's attitude toward the U.S.S.R. and its allies has been shaken by their aggression against Czechoslovakia, a number of visits and exchanges arranged privately have been postponed or cancelled on the initiative of the Canadian organizations concerned or on the advice of the Government.

This has not meant that all normal dealings with the Warsaw Pact countries have been brought to a halt. In the long run, it is in no one's interest to eliminate contact with the people of those countries. Where private organizations or individuals decide that, for various reasons, they wish to continue existing arrangements, it is not the Government's policy to put obstacles in their way. Many such arrangements, such as academic exchanges between universities or cultural events, are of long standing and could be re-established only with difficulty if they were now interrupted. The same is true of certain of the purely technical and scientific programmes of a long-term nature in which certain official agencies take part.

In a far broader sense, we must also bear in mind that the evolution of recent years toward co-operation instead of confrontation between East and West is our best hope -- and perhaps our only hope -- of eliminating violence from international relations.

I spoke at the beginning of the new dynamism in European affairs and the possibilities it seemed to open up. I have spoken further of the blow which the U.S.S.R. has dealt to international confidence, without which East-West dialogue can lead nowhere and we shall remain trapped in the blind alleys of the past. The deep sense of insecurity which Moscow has revealed by its action does not bode well for any progress toward even minor East-West understandings in Europe in the foreseeable future. We know that what we have been able to do and can do in future will be of little direct help to the Czechoslovaks. We welcome those who choose to come here in the bitter knowledge that those who stay in Czechoslovakia must find their way largely alone. Our policy must not make their task more difficult.

But we have a task which is also difficult and which, in the long run, is of vital importance for human survival. Five years and more of patient work seem for the moment to have been wasted. The prospects for the future seem dim. But history does not end with the arrival of the Red Army, and we should be wrong to conclude that all is lost. Our task is to find a way back to rational and constructive dialogue, without sacrifice of our principles. We have no choice but to live with the world as it is, but we shall have no real hope if we do not persist in the search for ways to change it peacefully. After what has occurred, it remains to be seen whether the Soviet leaders are capable of seeing far enough beyond their own immediate fears to grasp this fundamental fact.

S/C



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/17

CANADA AND THE WORLDA Policy Statement by Prime Minister
Pierre Elliott Trudeau issued on
May 29, 1968.

We Canadians found a lot to be proud of in 1967, and also some things to question.

Above all we became keenly aware in our centennial year that significant changes - political, economic, technological - have taken place in the world around us and within the body politic of our own nation. We found ourselves questioning long-standing institutions and values, attitudes and activities, methods and precedents which have shaped our international outlook for many years. We found ourselves wondering whether in the world of tomorrow, Canada can afford to cling to the conceptions and role-casting which served us in our international endeavours of three decades or more.

Those fundamentals of foreign policy did serve Canada well in circumstances of severe testing for us and for the world generally. This country played a leading part in shaping the multi-racial Commonwealth, in promoting and supporting a universal United Nations, and in trying to keep NATO attuned to changing strategic and political requirements. We made a significant contribution to international aid.

We shared the enormous difficulties which have bedevilled, in the post-war era, the best efforts to establish world order on a firm base of political and economic stability. Post-war peace had to be built on the foundations of collective security which were rendered less secure by a radically-spiralling arms race, the urgent demands of suddenly emerging nations, and a prerequisite of keeping accidental sparks of war confined, if not wholly quenched.

There has been a tendency to play upon failures and to be patronizing about successes; to pull down institutions and ideas with nothing very concrete to offer in their place; to over-simplify the possibilities for solving international issues which, even today, are as complex as they are enduring, and to forget that an anxious world was not plunged into either military catastrophe or economic chaos.

There is no reason for running down Canada's post-war record in international affairs. In many respects it was a brilliant record, for which we owe much to the inspiring leadership of the Right Honourable Lester Pearson, both as External Affairs Minister and as Prime Minister.

Re-assessment has become necessary not because of the inadequacies of the past but because of the changing nature of Canada and of the world around us.

All of us need to ponder well what our national capacity is - what our potential may be - for participating effectively in international affairs. We shall do more good by doing well what we know to be within our resources to do than by pretending either to ourselves or to others that we can do things clearly beyond our national capability.

Canada's position in the world is now very different from that of the post-war years. Then we were probably the largest of the small powers. Our currency was one of the strongest. We were the fourth or fifth trading nation and our economy was much stronger than the European economies. Ours were among the very strongest navy and air forces. But now Europe has regained its strength. The Third World has emerged.

It is for us to decide whether and how we can make the best use abroad of the special skills, experience and opportunities which our political, economic and cultural evolution have produced in this rich and varied country.

Realism - that should be the operative word in our definition of international aim; realism in how we read the world barometer; realism in how we see ourselves thriving in the climate it forecasts. For we must begin with a concrete appraisal of the prevailing atmosphere - conscious always that rapid change is likely to be its chief characteristic.

What are some of the salient features we face?

The peace which we value most rests mainly on a balance of nuclear terror. Fortunately, the two super-powers have kept the terror firmly within their grasp and have been showing increasing responsibility about unleashing it. The threat of major military clash has measurably receded, but not the need to ensure that the intricate power balance is maintained by a wide variety of means.

International tension is sustained in various regions and in varying degrees because of localized hostilities, latent disputes, racial discrimination, economic and social distress. Whatever comfort we can take from the most recent developments in Vietnam, we dare not disregard the dangers inherent in the Middle East impasse, the race conflicts in the southern half of Africa, the heavy pressure of urgent needs in the developing world. In Europe there remains the lingering threat of an unresolved German problem, which must be resolved if that continent is to capitalize on its growing desire to draw together and not to turn once again down the dangerous road to aggressive nationalism.

It is no longer realistic to think in terms of a single model of organization and development in Eastern Europe or of a monolithic Communist unity such as Stalin could impose. There has been a perceptible détente in East-West relations. There has been a growing recognition in Eastern European countries of the need through economic reforms to adapt their economies to national needs, rather than adhere in a doctrinaire way to an economic model inspired largely by nineteenth century conceptions. Although it remains true that there are some fundamental and far-reaching differences between us and

the Communist countries, it is no longer true to say that the Communist world is monolithically and implacably hostile to us.

Economic and social development continues to pose a major international problem, and it will increasingly engage the initiative, energy and resources of the world community far into the future. The essential needs of the developing countries require a vigorous, comprehensive and co-ordinated response from all the organizations, agencies and individual nations seeking to alleviate the areas of want in the world. The realities of this North-South relation are such that humanity as a whole cannot rest easy until a steady and solid progress toward a better balance between have and have-not nations has been assured.

The international institutions and methods which have been adopted for dealing with the demands of the contemporary world situation have to be brought into closer alignment with actual developments, and especially with the revolutionary desires of rising generations in all parts of the world. If man is to become the master rather than the victim of his restless genius for material progress, he must radically reduce the distance between his ever-advancing attainment in science and technology and the rather sluggish evolution of international instruments for maintaining political and economic order.

All round the earth, nations suffer the nervous exhaustion of living in an atmosphere of armed threat. It is risky enough that two super-powers, armed even now for "overkill", continue their competition for the most advanced weaponry. It does not help that secondary powers have embarked on nuclear-arms programmes. But, even if it becomes possible to contain the nuclear competition, the world will still have to face what almost amounts to an unrestrained, and perhaps uncontrollable, traffic in conventional arms of all kinds, which, far from adding to security, tend to induce insecurity and increased tension.

In most of these international contexts, China continues to be both a colossus and a conundrum. Potentially, the People's Republic of China poses a major threat to peace largely because calculation about Chinese ambitions, intentions, capacity to catch up and even about actual developments within China have to be based on incomplete information - which opens an area of unpredictability. Mainland China's exclusion from the world community stems partly from policies of non-recognition and of seeking to contain Chinese Communism through military means, and partly from Peking's own policies and problems. Yet most of the major world issues to which I have referred will not be resolved completely, or in any lasting way, unless and until an accommodation has been reached with the Chinese nation.

Those are the broad lines of the international environment in which Canada finds itself today. What are we proposing to do about it? We are going to begin with a thorough and comprehensive review of our foreign policy which embraces defence, economic and aid policies. Policy review is part of the normal process of any government, but we wish to take a fresh look at the fundamentals of Canadian foreign policy to see whether there are ways in which we can serve more effectively Canada's current interests, objectives and priorities.

Our approach will be pragmatic and realistic - above all, to see that our policies in the future accord with our national needs and resources, with our ability to discharge Canada's legitimate responsibilities in world affairs.

Our progressive involvement in international development and relations during two decades or more have given this country a position of prominence and distinction. The policy area to be reviewed is broad and complex. In our review, we shall be giving special attention to certain areas.

We as a Government must discharge our duty to the people of Canada in meeting the needs of national security. In the narrowest sense, this could mean the strengthening of North American defence arrangements in a manner calculated to safeguard our national sovereignty and at the same time to make the best use of resources allocated to national defence. But the defence strategies of our time are neither static nor restricted in scope. NATO and NORAD, though not linked organizationally, are complementary in their strategic importance and implication. They are an integral part of the delicate balance of power on which the peace of the world has rested during a long and difficult period. We shall take a hard look, in consultation with our allies, at our military role in NATO and determine whether our present military commitment is still appropriate to the present situation in Europe. We shall look at our role in NORAD in the light of the technological advances of modern weaponry and of our fundamental opposition to the proliferation of nuclear weapons.

Canada continues to have a very large stake in Europe, perhaps not so much in the military sense of two decades ago but in political, commercial and cultural terms. We have been fascinated and greatly encouraged by the marked improvements in the political and economic situation in Europe as a whole, in both the Eastern and Western sectors. It seems almost axiomatic that, far from relaxing them, Canada should seek to strengthen its ties with the European nations, whose many and varied cultures contribute so much to our own. We should seek to join with them in new forms of partnership and co-operation in order to strengthen international security, to promote economic stability on both sides of the Atlantic and in other regions of the world, to balance our own relations in the Western Hemisphere.

We have a major aim of maintaining mutual confidence and respect in our relations with the United States. We have to sort out the dilemmas which that complex relation poses for us so as to widen the area of mutual benefit without diminishing our Canadian identity and sovereign independence.

We have to take greater account of the ties which bind us to other nations in this Hemisphere - in the Caribbean, Latin America - and of their economic needs. We have to explore new avenues of increasing our political and economic relations with Latin America, where more than 400 million people will live by the turn of the century and where we have substantial interests.

We accept as a heavy responsibility of higher priority Canada's participation in programmes for the economic and social development of nations in the developing areas. We shall be exploring all means of increasing the impact of our aid programmes by concentrating on places and projects in which our bilingualism, our own expertise and experience, our resources and facilities, make possible an effective and distinctively Canadian contribution. We see Africa as an area of growing activity, but not to the exclusion of other regions in which Canada's aid effort is well established. We intend, moreover, to combine these efforts with initiatives, policies and leadership relating to trade which will enable the developing nations to attain lasting improvement in their economies.

We shall be guided by considerations such as the foregoing in sustaining our support for international organizations - and especially the United Nations family. We believe that Canada's contribution to the co-operative efforts of those organizations may benefit from some shift of emphasis but there will be no slackening of our broad policy of support. In making our reappraisal, we shall be looking for realistic means for making multilateral organizations as effective as possible and, correspondingly, Canada's participation in their endeavours.

We shall be looking at our policy in relation to China in the context of a new interest in Pacific affairs generally. Because of past preoccupations with Atlantic and European affairs, we have tended to overlook the reality that Canada is a Pacific country too. Canada has long advocated a positive approach to mainland China and its inclusion in the world community. We have an economic interest in trade with China - no doubt shared by others - and a political interest in preventing tension between China and its neighbours, but especially between China and the United States. Our aim will be to recognize the People's Republic of China Government as soon as possible and to enable that Government to occupy the seat of China in the United Nations, taking into account that there is a separate government in Taiwan.

As I suggested earlier, in reviewing the international situation and our external policies, we are likely to find that many of the problems are the same ones which Canada has faced for many years - global and regional tensions, under-development, economic disruptions. Our broad objectives may be similar, too - the maintenance of peace and security, the expansion and improvement of aid programmes, the search for general economic stability. But what we shall be looking for - systematically, realistically, pragmatically - will be new approaches, new methods, new opportunities. In that search we shall be seeking the views of Canadians, and particularly of those with expert knowledge in the universities and elsewhere.

We shall hope, too, to find new attitudes, for ourselves and in others, which will give us the latitude to make progress in the pursuit of those objectives. There is much evidence of a desire for this kind of change in most countries of the world. Our need is not so much to go crusading abroad as to mobilize at home our aspirations, energies and resources behind external policies which will permit Canada to play a credible and creditable part in this changing world.

To do this we need not proclaim our independence. We need not preach to others or castigate them. What we do need is to be sure that we are being as effective as we can be in carrying out our own commitments and responsibilities, which will be commensurate with our growing status and strength, with our special character.

What is our paramount interest in pursuing this kind of foreign policy? Well, the foreign policies of nations are grounded in history and geography and culture. There are very obvious major interests for most nations today - peace, prosperity, and progress of all kinds. There is always a substantial element of self-interest. In this general sense, Canada is no exception.

But at the present time (it may have always been so and certainly will be so far into the future) our paramount interest is to ensure the political survival of Canada as a federal and bilingual sovereign state. This means strengthening Canadian unity as a basically North American country. It means reflecting in our foreign relations the cultural diversity and the bilingualism of Canada as faithfully as possible. Parallel to our close ties with the Commonwealth, we should strive to develop a close relation with the francophone countries. It means the development of procedures so that Canada's external relations can take even more into account the interests of provincial governments in matters of provincial jurisdiction.

There are many ways of serving that paramount interest. Some of them are already abundantly apparent in the policies and methods which the Government has been promoting for some time. I have indicated throughout this statement our determination to explore every opportunity for applying such policies with maximum effect. They will be projected in the world of today and tomorrow.

. . . Our search, our exploration, our reassessment, are motivated and directed by a desire not for new approaches for the sake of novelty but for better policies and better methods which will keep Canada effectively in the forefront of those international endeavours which realistically lie within our national resources - active and potential.

While this broad review has been set in motion by the Government, we have taken some immediate steps which will give the Canadian people an indication of the direction the Government will follow and these are:

We have decided to send before the end of 1968 a special mission at the ministerial level to tour Latin America. This mission will be designed to demonstrate the importance the Government attaches to strengthening our bilateral relations with leading Latin American countries.

In order to exploit more fully the opportunities inherent in our bilingual country, it is our intention to open five new missions by 1969 in French-speaking countries. A substantially increased share of our aid will be allocated to francophone countries as an important investment both in improving bilateral relations and in contributing to national unity.

Within the general review, we have set up a special task force on our relations with the countries of Western and Eastern Europe. Its purpose is to prepare detailed recommendations concerning ways in which co-operation could be further strengthened with European countries, from which so many Canadians have originated. It will study the whole range of our economic, political and cultural ties with Europe, together with the presence of Canadian military forces in Europe.

In order to stress the true objectives of our aid programme, we shall change the name of the External Aid Office to Canadian International Development Agency. Aside from removing the resentment that might be felt by some

recipient countries, this change will illustrate that our preoccupation is with co-operative international development, not aid as such. In addition, we shall give speedy and favourable consideration to the creation of an International Development Centre. This would be an international institute established in Canada to apply the latest advances in science and technology to the problems of development and to ensure that Canadian and other aid moneys are put to the most effective use possible.

Such, then, is our liberal approach to foreign policy and Canada's position in the world. We should not exaggerate the extent of our influence upon the course of world events. Yet, because of the origin and character of our population, our history, our geographical position and our economic strength and potential, we can play a significant part in the promotion of peace and the creation of a just world society.

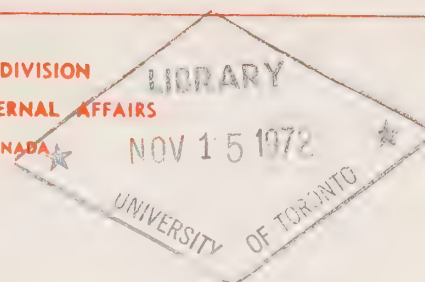
We shall seek a new role for Canada and a new foreign policy based on a fresh appraisal of this rapidly-changing world and on a realistic assessment of Canada's potential. It must be a policy which Canadians of all origins, languages and cultures will be proud to support. It must be a policy which is pragmatic, realistic and which contributes effectively both to Canada's political survival and independence and to a more secure, progressive, free and just world society.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 68/18

CANADA'S OFFICIAL LANGUAGES BILL

Statement by Prime Minister Pierre Elliott Trudeau
in the House of Commons, October 17, 1968.

Many of the bills which are placed before Members of this House are concerned with a specific problem, or a single occupation, or one region of the country. The Official Languages Bill is a reflection of the nature of this country as a whole, and of a conscious choice we are making about our future.

Canada is an immense and an exciting country, but it is not an easy country to know. Even under modern conditions it is a long and expensive trip from St. John's to Vancouver or from Windsor to Inuvik. The great differences of geography, history and economics within our country have produced a rich diversity of temperament, viewpoint and culture.

This is easy to state, and it has been repeated in hundreds of patriotic speeches; but without the direct experience which has not been available to most Canadians, it is difficult to appreciate it fully.

The most important example of this diversity is undoubtedly the existence of the two major language groups, both of which are strong enough in numbers and in material and intellectual resources to resist the forces of assimilation. In the past this underlying reality of our country has not been adequately reflected in many of our public institutions.

Much of our political theory and tradition has been inherited from the major countries of Western Europe. It happens that the majority of these countries are relatively homogeneous in language and culture. It has been practical for many of them to operate on the principle "one state, one language". For Canadian descendants of West Europeans this has often appeared to be the normal situation, subject to a few unimportant exceptions. Even today it is not unknown for a European statesman to offer advice on the future of this country based on such Old World ideas.

Looked at from a contemporary world viewpoint, it is the apparently homogeneous states of Western Europe which are the exception. Many Eastern European, Asian and African states contain within a single political unit a great variety of languages, religions and cultures. In many of them this diversity is reflected in a federal system of government and in two or more official languages. In the past multicultural states have often resulted from conquest or colonialism. In the modern world, many are based on a conscious appreciation of the facts of history, geography and economics.

In Canada, a country blessed with more prosperity and political stability than most, we are making our choices methodically and democratically.

In all parts of the country, within both language groups, there are those who call for uniformity. It will be simpler and cheaper, they argue. In the case of the French minority, isolation is prescribed as necessary for survival. We must never underestimate the strength or the durability of these appeals to profound human emotions.

Surely these arguments are based on fear, on a narrow view of human nature, and on a defeatist appraisal of our capacity to adapt our society and its institutions to the demands of its citizens. Those who argue for separation, in whatever form, are prisoners of past injustice, blind to the possibilities of the future.

We have rejected this view of our country. We believe in two official languages and in a pluralist society, not merely as a political necessity but as an enrichment. We want to live in a country in which French-Canadians can choose to live among English-Canadians and English-Canadians can choose to live among French-Canadians without abandoning their cultural heritage.

Those of us who have some experience of the difficulties and opportunities of this course are conscious of the risk. But we are convinced that, as a country and as individuals, we must take it. French Canada can survive not by turning in on itself but by reaching out to claim its full share of every aspect of Canadian life. English Canada should not attempt to crush or expect to absorb French Canada. All Canadians should capitalize on the advantages of living in a country which has learned to speak in two great world languages.

Such a country will be able to make full use of the skills and energy of all its citizens. Such a country will be more interesting, more stimulating and, in many ways, richer than it has ever been. Such a country will be much better equipped to play a useful role in the world of today and tomorrow.

How can we realize these aspirations? We believe that this bill is one step in that direction. It is not the first step, and, to place it in context, I shall mention some others which have been taken since the appointment of the Royal Commission under Mr. Dunton and Mr. Laurendeau in 1963.

A programme of language-training for federal public servants was started in 1964 and has since been greatly expanded to develop proficiency in both languages in those centres where it is required. The Government recognizes that its objectives in this field cannot be accomplished overnight, and that their fulfilment must not involve any prejudice to the careers of civil servants who are not bilingual and who have devoted many years of their lives to the Public Service. Nevertheless substantial progress has been made.

About 5,000 hours of language-training a day are now available for public servants. I am happy to note that a number of Members of this House have been taking advantage of these facilities.

Because we are engaged in a project that, as far as we know, is unique in the world in both size and scope, the rapid growth of this programme resulted for a period in serious problems of administration. As the demand for training has far exceeded the capacity of the system, priority has been given to training executive and administrative officers. The Government intends to expand the

language-training resources further over the next four years on a scale sufficient to meet the objectives announced by Mr. Pearson, to which I will refer in a moment. This will require an increase in the number of classrooms from 76 to 133 and an increase in the number of teachers from 175 to 339.

There is no easy way to competence in a second language but, in three and a half years, enough such competence has been acquired by many senior officials to permit both English- and French-speaking participants in conferences and committees to use their mother tongue, confident that they will be understood. We have every assurance from this experience that the objectives of the Public Service Language-Training Programme will be reached.

On April 6, 1966, Mr. Pearson made a policy announcement in this House on bilingualism in the Public Service of Canada. He stated that the Government "expects that within a reasonable period of years a state of affairs in the Public Service will be reached whereby: (a) It will be normal practice for oral or written communications within the Service to be made in either official language at the option of the person making them...; (b) Communications with the public will normally be in either language having regard to the person being served".

At that time he announced a number of measures to promote these objectives. I should like to mention the progress to date on three of them.

- (1) A salary differential has been paid since 1966 to those holding secretarial, stenographic and typist positions in which both languages are required and where both are used.
- (2) A special programme for improving bilingualism among senior executive officers was also begun in 1966. Under this programme each year some 20 English-speaking civil servants with their families spend a year in Quebec City, while some ten French-speaking civil servants and their families spend a year in Toronto.
- (3) In 1967 reasonable proficiency in the two official languages, or willingness to acquire it through appropriate training at public expense, became an element of merit in the selection of university graduates recruited for administrative trainee positions where the need for bilingualism exists.

At the end of 1967, the Laurendeau-Dunton Commission issued the first volume of its report, which made a number of important recommendations on language rights. The report stated: "We take as a guiding principle the recognition of both official languages, in law and in practice, wherever the minority is numerous enough to be viable as a group."

At the Constitutional Conference held in February of this year, the Federal Government announced that it accepted the objectives set by the Royal Commission, that it would take steps to implement the proposals applicable to the Federal Government, and that it hoped the provinces would implement those requiring provincial action. We also stated: "The Government of Canada will be prepared to help in the implementation of these proposals if we are asked to do so. We will be glad to join the provincial governments in devising the methods by which our assistance could be made most effective."

During the February meeting, the Constitutional Conference reached the following consensus on language rights:

- (1) French-speaking Canadians outside of Quebec should have the same rights as English-speaking Canadians in Quebec.
- (2) Each government should take the necessary actions in this field as speedily as possible, in ways most appropriate to its jurisdiction and without diminishing existing rights recognized by law or usage.
- (3) The Conference established a special committee to examine the Report of the Royal Commission on Bilingualism and Biculturalism and other matters relating to language rights and their effective provision in practice, and to consult on methods of implementation, including the nature of possible federal assistance, and on the form and the method of constitutional amendment.

The Conference also established a continuing committee of officials which met in May, July and September and will meet again next month. They are preparing for another meeting of prime ministers and premiers which will be held on December 16 to 18.

Today's resolution describes the Official Languages Bill which will provide for the implementation of the Royal Commission's recommendations which lie within the jurisdiction of Parliament. As the resolution indicates, this will include provisions to establish the status of the English and French languages as the official languages of Canada for all purposes of the Parliament and Government of Canada, and will also provide for the appointment of a Commissioner of Official Languages with the duty of ensuring recognition of the status of the two languages. It sets out for the first time the language rights of citizens in their dealings with Parliament, with the Federal Government and with federal institutions, and the duties of those institutions toward the citizen in matters of language.

We do not claim that this bill will take care of all of Canada's needs in respect of French and English or other languages. It is important to point out some of the areas to which it does not apply.

It does not, of course, amend the constitution. I have often stated my belief that such amendment is necessary to guarantee the fundamental language rights of our citizens. It does not affect provincial jurisdiction over the administration of justice or any other matter within provincial jurisdiction. It does contain an enabling provision relating to proceedings in criminal matters, but discretion is left to the courts over its implementation.

It does not regulate the internal operations of the Government. Other statutes and policy statements deal with such matters as communications between one government employee and another and bilingualism is a factor in employment.

In drafting it, we have not ignored the practical limitations of manpower and equipment. There are provisions for periods of adaptation where necessary. The bill does not require every government document to be produced in both languages in certain cases where production in one language does not violate the principle of equality of status.

Finally, in relation to languages other than English or French, the bill does not diminish any rights which Canadians may enjoy by law or custom. It does not, for example, affect the right of non-French-speaking or non-English-speaking defendants in criminal proceedings to testify in their own languages and to obtain court interpreters.

When the bill is placed before the House, I propose to discuss its objectives and its main provisions in greater detail. I shall say no more about it at this time except to commend it to the earnest attention of Honourable Members and also of the general public of Canada.

I believe that there will be widespread agreement among members and their constituents in all parts of Canada that this bill can be of the greatest importance in promoting national unity.

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 68/19

THE NIGERIAN SITUATION

Statement in the House of Commons, November 26,
1968, by the Prime Minister, the Right Honourable
Pierre Elliott Trudeau.

One of the strengths of Canada, Mr. Speaker, one of the qualities of the Canadian people that makes me proud to be a Canadian, is the interest which Canadians take in the welfare of others less fortunate than themselves. We are, I think it is fair to say, human beings first and citizens second. Successive Canadian Governments have received full public support for measures which have been designed to relieve the suffering of persons elsewhere. In addition to our programmed external aid, Canada has again and again provided emergency food and relief supplies in generous measure to victims of famine and natural disasters. We have on several occasions welcomed to our midst in large numbers the unfortunate victims of wars and disruption.

We all stand taller as a result of our sympathies for human beings and our efforts to assist them. We stand taller not because we are seeking to mollify our own consciences, nor because we need to boast to others of our humanitarian motivation; we stand taller because we have chosen the right path of conduct and have been effective in the help we have tendered.

And this to me, Mr. Speaker, is what this entire debate today is about. It is unnecessary to discuss whether Canadians actively wish to assist the unfortunate victims of the civil war in Nigeria. They do. It is irrelevant to discuss whether a Canadian Government can properly involve itself in a relief effort abroad. It can. The single point at issue is whether this Government has acted correctly and wisely in doing what it has done.

In this respect correctness is not measured in red tape or technicalities and I shall not therefore make any attempt to suggest these considerations as an explanation for Canadian policies. But in this same respect, Mr. Speaker, neither is wisdom measured in the volume of our own voices raised in international arenas.

If we are truly and honestly committed to assisting the peoples of Nigeria, both correctness and wisdom must be measured in terms of the effectiveness of our efforts to help. Victims of war are not helped by grandiose speeches in the General Assembly; starving children are not nourished by acts which prolong hostilities.

For several weeks, Mr. Speaker, the Canadian people have shown much concern and sympathy for the problem now being discussed. Opinions, comments and questions about it have increased. A standing committee (the Standing Committee on External Affairs and National Defence) has considered that matter.

The civil war in Nigeria is a particularly complex matter. Its outbreak is linked to various factors and its roots go back quite far in the history of that great country and it is possible that only those who are engaged in that conflict can measure its intensity and understand its full meaning. In any case, Canadians as individuals have been deeply moved by the stories and pictures describing the suffering of the people of that country and they have felt involved. It is necessary however to grasp a fundamental point, namely that it is a civil war and that the solution of the conflict can be arrived at only by the belligerents themselves. Of course, those from outside can offer their services, but they cannot impose a settlement which would be contrary to the will of either side. In that connection, the good offices of the Secretary-General of the Commonwealth, as well as those of the Organization for African Unity, have been and will always be available, and I hope that they will continue to be used.

The fact is that, during all the hostilities, there have been periodic discussions between Nigerian authorities and the rebels, some of them extending over several weeks. But it appears that it is not enough to have the belligerents talk things over, or even declare the urgency of a cease-fire. They must also be willing to make concessions leading to a peaceful settlement, and this is exactly this conciliatory spirit which cannot be imposed from the outside.

We have expressed on several occasions the earnest hope of this Government to see the opponents in this tragic war show at least the goodwill necessary to negotiate a lasting peace.

In testifying before the Committee, the Secretary-General of the Commonwealth, Mr. Arnold Smith, helped us to understand some of the implications of the problem. He explained, for example, that on several occasions during the past 18 months, certain compromises which he, as an outsider, thought quite acceptable, might have been found. However, Mr. Smith then added that there was no hope of a settlement unless the two sides themselves made some compromises. I quote some of his words:

"The Biafrans will have to make concessions with regard to sovereignty, and Lagos will have to make concessions with regard to physical security and economic viability."

I bring up that statement again, Mr. Speaker, to make clear that those who were in a position to offer their good offices made a close study of the question and that it is up to the belligerents to find within themselves the true spirit of conciliation which is the prerequisite of any compromise. Above all, we must not think that we, in Canada, were the first to become aware of that war, and that we have all the answers. We do not have them.

If Canada attempted, in one way or another, to impose any solution whatever to the conflict, that effort would constitute an intervention in the internal affairs of another country.

The policy which my Government has followed in this situation has been motivated, as is proper, by humanitarian considerations. But what a government

cannot do in this or in any other situation is to depart from the broad context of its foreign policy or its general and carefully formulated outlook on the world. Thus our policy involves our attitudes toward the aspirations of the developing countries; it touches on our position in the Commonwealth and the United Nations; it urges us to be realistic in our continuing desire to play a useful, responsible role on the world scene. I emphasize this concept of responsibility in foreign policy both because it is particularly relevant to the question of Nigeria and because it is our belief that in the increasing complexities we have to face in international affairs it is steadily more important that countries like Canada play their parts responsibly.

We see in Nigeria a tragic and bloody civil war taking place in a Commonwealth country with which Canada has developed strong ties of friendship. I am not now talking about red tape or protocol or diplomatic technicalities. I am talking about a real issue. Contemporary international practice recognizes a fundamental legal obligation not to interfere in the internal affairs of another state. The United Nations General Assembly's unanimous declaration on non-intervention in 1965 describes this duty in no uncertain terms:

"No state has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state."

Certainly, world concern for the promotion and protection of basic human rights has enabled the Assembly effectively to overcome past objections that even the mere discussion of these rights constituted a form of intervention. However, in this particular instance, there was no general desire to have the item discussed at the United Nations. Moreover, in so far as actual intervention is concerned, that is, action by the United Nations within the territory of a state without its consent, it should be realized that only in the most extreme circumstances involving the maintenance or restoration of international peace and security can the appropriate United Nations organ authorize or approve such intervention.

I emphasize that to many of the states of the world -- those which have only recently gained independence -- the principle of non-intervention is a dominant consideration. As an example, I need only recall that for all of the concern of the countries of Africa for the plight of the native population in the Republic of South Africa, there has never been a proposal from an African country that the United Nations possesses the right to violate the territorial integrity of South Africa. The question of South West Africa because of its mandate is distinct and not to be confused. If, therefore, the Africans, for fear of creating a precedent which might be used against themselves later, have not raised the argument of intervention on humanitarian grounds in South Africa, it is not likely that any Canadian effort to intervene in Nigeria would be met with other than outraged opposition.

There have been persistent proposals in this House and in the press that Canada raise this issue at the United Nations. Notwithstanding what I have just said, I should like to assure the people of Canada that we have gone into this deeply. There have been intensive consultations with other delegations in New York; the Secretary of State for External Affairs (Mr. Sharp) sought the views of the United Nations Secretary-General in an exchange of messages in September; our missions abroad have sought advice; I talked personally

with the Secretary-General about this and other matters. As a result of all this, of my own talks with the Secretary-General, of continuing inquiries made at the official level at the United Nations and in a number of foreign capitals, I remain convinced that an attempt to inscribe the Nigerian conflict on the agenda of the General Assembly would not only be bitterly resented by the Nigerian Government and the member states of the Organization of African Unity but would also be totally unsuccessful because of the procedural requirement of support of 63 other members. In view of the OAU resolution, there is not a chance that even a small fraction of that number would agree. And Hon. Members should not forget that of the 126 United Nations' members, 42 are from the continent of Africa.

There is an alternative to the General Assembly, we are told. A committee. Should we attempt to employ a General Assembly committee for such a discussion, conceding for the moment that we could do so, which is not entirely clear, our efforts would prove not only divisive but totally counter-productive. The soundings to which I have referred and others revealed the following probable consequences of any such attempts: First, hostility and opposition from almost all African states. Canada's long-term relations with these countries, which we now find amiable and productive, would be prejudiced for some years to come, both on a bilateral and a multilateral basis. Any doubts in this respect should have been resolved by the OAU vote of 33-4 against intervention. Second, Nigeria would demand that we cease participating in relief assistance to any part of that country. Third, we should be asked to withdraw from the international observer team in Nigeria.

I need only add that, in the view of the Government, such a policy by Canada would be completely irresponsible and indefensible.

However much it might salve the feelings of concerned Canadians, it would be wrong. For these reasons I am reluctant to strain the very real and very meaningful tie of friendship which Canada enjoys with Nigeria and with other African states. I have accordingly assured General Gowon of our continuing support for his government as the government of all Nigeria. I have at the same time informed him of our desire to see an early conclusion of the hostilities in Nigeria on terms permitting Nigerians to live within a federal structure which provides adequate guarantees of personal and economic security to all persons. General Gowon has for his part assured us of his intention to provide such guarantees and has welcomed the understanding and interest of the Canadian people.

What I have said about action through the United Nations applies also to proposals that initiatives be mounted through the Commonwealth. Like the United Nations, the Commonwealth is an association of sovereign states, admittedly bound by special ties of affection but also bound by tradition not to intervene in each other's affairs or to discuss them at Commonwealth meetings. The Commonwealth does offer the unique facility of the good offices function of the Secretary-General which I mentioned earlier. Members who are familiar with Mr. Arnold Smith's testimony before the Standing Committee are aware of the untiring efforts which Mr. Smith has lent to the search for a solution. These efforts have not met with success but they have served to keep open a channel of communications between the disputants.

Recently there have been proposals that Canada attempt to arrange a cease-fire. It is argued that this would not involve making a political or moral judgement on the merits of either side's case, and the advocates see it in terms of "let the fighting cease and peace will prevail". I agree with the theory but the practice is

more complicated, as shown by reports of discussions already held by the Nigerian parties about a possible cease-fire. It is clear that this question has been surrounded by political conditions. For example, at one point the rebel proposals for a cease-fire stipulated a withdrawal of federal troops behind the pre-war boundaries, an action which the Nigerians claim would place some five and a half million non-Ibos under Ibo rule without their being able to make a choice. This one example illustrates that in this situation a cease-fire is not a simple proposition to be seen in isolation from the political factors. In present circumstances, any cease-fire inevitably involves a major concession of principle by one side or the other. I am not suggesting that a cease-fire is undesirable or that it is impossible; I am saying that it will be difficult to accomplish.

What I have been attempting to make clear, Mr. Speaker, is the legal, moral and political framework in which the Government has viewed this human crisis in a friendly country. It has been clear to me throughout that the concern of the Canadian people in this situation is that their Government should act to help relieve human suffering without interfering in the politics of the situation or being used to advance the political aspirations of one side over the other.

This challenge we have accepted; this concern of the Canadian people we have attempted to meet, I should like nothing more than to be able to stand here today and to announce that the Nigerian civil war has been concluded. It is of little consequence to me whether that conclusion is reached as a result of any special Canadian intervention. It is a solution that I seek, not necessarily a "made in Canada" solution. What is important is that the war cease, that the unnecessary deaths be avoided, and that the record of Canadians and their Government be an honourable one. I think that the record to date is honourable and I should like to recount briefly some of the actions the Government has taken.

The Government's concern with the Nigerian situation was engaged long before the Canadian people became aware of the problem and Hon. Gentlemen opposite began to ask questions. Our ties with Nigeria have been strong, affectionate and mutually advantageous, and because of this we watched with deepening anxiety as the situation deteriorated in 1966 and 1967. When the secession occurred and the fighting broke out we became increasingly concerned that this conflict would tear irreparably the fabric of this fellow Commonwealth country. We told the Lagos Government that we believed a peaceful rather than a military settlement should be found. We supported the Commonwealth Secretary-General in his efforts to bring about negotiations. Later we supported the initiative of the Organization of African Unity in the same direction. And we have repeatedly urged the Nigerian Government, which we continue to recognize as the government of all Nigeria, to seek a peaceful negotiated settlement.

In terms of action, the Canadian Government has concentrated on humanitarian assistance to those in need. We were involved in this well before the human problem reached its acute and well publicized stage. As early as February of this year, we made representations to the Federal Nigerian Government urging greater co-operation with the International Red Cross in its mercy flights into rebel-held territory. Since then we have spoken frequently with the Nigerian authorities on related subjects and have always been given a cordial hearing and explanation of their position. These explanations have made clear, for example, their long-standing willingness to open land and water corridors for the movement of relief supplies, a willingness which is not shared, I should emphasize, by the rebels.

In May, long before this unfortunate war was the subject of constant questions in the House, the International Committee of the Red Cross asked Canada for urgent financial help in their operations in Nigeria. We responded with a substantial cash grant. In July we allocated half a million dollars in food aid for Nigeria and sent an initial food shipment to Lagos by Hercules aircraft. At that time we decided in principle to provide Hercules aircraft for an airlift under Red Cross auspices if the agreement of the two sides could be obtained.

In August we lent the services of a Canadian expert to the International Red Cross to assist that organization in studying the feasibility of increased and improved airlift operations.

In September another allocation was made of half a million dollars in food aid. The large sea shipment of food sent under these allocations arrived in the area early this month and we have reports of it reaching the forward centres from which the Red Cross distributes it to needy civilians. These are significant contributions being made by the Government in the name of the Canadian people, and they have been acknowledged warmly by the Nigerian authorities. But the story does not end there. Further food aid in large amounts will continue to move forward from Canada.

Private Canadian organizations have also made significant contributions, and their work should be praised and encouraged. I would pay special tribute to the efforts of the Canadian Red Cross Society, which has been in this situation from the beginning, working patiently and hard to bring aid and comfort to the suffering in all parts of Nigeria affected by the fighting.

Mr. Speaker, the most acute problem was that of transportation. The House is well aware of the sincere and sustained efforts the Government made in this regard. Generally, attention was concentrated only on air transport into the rebel zone. But, in fact, it was a second choice, for using the ground corridors into the Eastern area would allow the transportation of far greater quantities of supplies. The situation could be met far better through their use instead of hazardous flights in an air corridor over the jungle, close to aircraft transporting arms. Still, the rebels have constantly opposed the proposals of the Red Cross and Nigeria with regard to the use of the ground corridors, and although one can understand their military concern, one can certainly question the merits of such priorities. As the food supplies decrease, it becomes obvious that even the most efficient and best organized airlift will not be sufficient. Ground transportation therefore remains the only adequate solution. And this requires the approval of Colonel Ojukwu.

With regard to air transport, let us look first at the fact that the Red Cross asked us for Hercules aircraft because of their exceptional capacity and other features which made them particularly suitable for that type of work. Now, that request involved the use of Canadian armed forces airplanes and, consequently, we had to get beforehand the authorization of the Nigerian authorities. Such authorization was required not only for the flights over rebel territory, since these territories were under Nigerian sovereignty. It was then that Nigeria made it clear that any flights over rebel territory not previously authorized by it would be considered as "acts of hostility". As a friendly and responsible government, we were not going to ignore that warning. Therefore, the Secretary of State for External Affairs (Mr. Sharp) attempted to get from the Nigerian Government permission to fly over the rebel territory. Through painstaking and persevering efforts, such permission was granted on October 8. The sole condition

stipulated by the Nigerian authorities was that Canadian airplanes should operate their mission under the auspices of the Red Cross. We were also advised that this permission would not continue if transport operations were made under the auspices of other organizations, such as the churches for instance. Therefore, it was with the authorization of the Nigerian government that our Hercules airplanes went to Lagos last summer.

I should like to pause briefly at this juncture to recall what I said a moment ago about the inviolability of territory and about the principles of international law which support non-intervention. Much as we may argue that in this instance or that such principles may or should be bent, we must remember that we cannot take unto ourselves such a decision. To do so means that we are setting ourselves above the law, as judges in our own cause. Rules of international conduct are not perfect but they are designed to ensure order. Breaking these rules because we think it is right only leads to chaos.

Following the agreement reached between the Secretary of State for External Affairs and the Nigerian Commissioner General for External Affairs, a Canadian Hercules aircraft did operate on the Red Cross night airlift from Fernando Po into the rebel area for some days. During that period it made a most significant contribution to the effort, carrying 20 tons of food each trip. Our experience quickly showed, however, that daylight flights by relief aircraft would be better; more flights could be made more safely, and much greater quantities of food could be delivered to those in need. We could see no reason why the rebel authorities should refuse to allow daylight flights if they were really interested in receiving food for their people in the quantities required.

It was about this time that I decided, in constant consultation with the Secretary of State for External Affairs and based on the continuous stream of information available to the Government from its missions in Africa and elsewhere, that it would be appropriate to send to Lagos a personal representative of the Prime Minister of Canada to discuss with the Nigerian Head of State the Canadian interest in an early settlement of the war. Accordingly I asked my legislative assistant, Professor Ivan Head, who had previously been in Nigeria, to fly to Lagos and speak on my behalf to General Gowon. This initiative was taken not because we thought that Canada possessed any wisdom not available to the Nigerians nor because we possessed some magic key which could solve the deadlock. I sent Mr. Head with instructions to explore the most effective avenues of Canadian relief assistance. And I sent him to assure General Gowon of our interest in a conclusion of hostilities in Nigeria and the establishment of a federal structure on terms which would guarantee the political and economic security of all minorities in Nigeria.

That initiative was successful. It was during Professor Head's discussion with General Gowon that it emerged that the Nigerians would have no objection to daylight relief flights by the Red Cross. I regard this statement as one of the most meaningful to date in this entire sequence of events, and one which is evidence of the good faith of the Federal Military Government in Lagos.

I therefore issued my appeal on November 4 to the rebel authorities to permit these relief planes to land by day in their territory. Shortly

thereafter we learned that the Nigerians would no longer agree to the continuation of night flights into the rebel area. It was evident that the Federal Government intended to step up military action against the shipments of arms which were going in at night, evidently in increasing quantities.

As I have reported to the House, my appeal was conveyed to the rebel authorities by the International Committee of the Red Cross, and although many days have passed we have received no clearcut reply. We are seeking every means possible to commence the daylight operation. Hon. Members will understand the reason why we cannot accept at face value every statement attributed to some self-claimed rebel spokesmen. These statements have proved again and again to be contradictory. At the same time I stress that we do not reject these statements out of hand. In each case, as with the message conveyed to me yesterday by the Hon. Member for Greenwood (Mr. Brewin), we attempt through the Red Cross channel to determine the authenticity of the communication. The Red Cross has served in this fashion as a channel of communication for decades, and with great honour. We see no reason to doubt either the integrity or the effectiveness of the Red Cross in these respects.

Our aircraft stationed on Fernando Po has not been without work. It has been able to perform several useful assignments for the Red Cross related to their work in the Nigerian area, but if it remains unable to participate in the airlift into the rebel area the responsibility rests squarely with the Ojukwu regime.

We have of course also offered aircraft to fly relief supplies into the federal-held regions of Eastern Nigeria. A Hercules flew to Lagos for this purpose in October. Accompanying that aircraft were reconnaissance officers whose task it was to ascertain landing sites. To the distress of all concerned it was learned that the forward airports were incapable of utilization for relief flights by this size of aircraft for prolonged periods without permanent runway damage. The foundation of the runway at Enugu had been weakened by severe and prolonged rains, the heaviest in the history of Nigeria; the runway at Calabar was not well constructed and was in addition damaged as a result of the fighting in that area.

While Mr. Head was in Lagos he therefore discussed with General Gowon and his officials the provision of other, lighter aircraft which could replace the Hercules. The Nigerian Government expressed a desire to receive Canadian Caribou aircraft and my Government stated it was willing to supply them. However, as I repeated in the House yesterday, the policy of the Canadian Government throughout has been to make our relief assistance available, not to the Nigerian Government nor to the rebel authorities but to the Red Cross for impartial administration and distribution according to civilian need. We have been informed by the Nigerian Red Cross that that body is not now able to utilize efficiently the Caribou. We have been asked to delay the dispatch of these airplanes, and we have done so.

Before concluding, Mr. Speaker, I should touch on another important aspect of the Nigerian problem. Canadian participation in the international team of observers has been studied at length by the Committee and I need not comment in detail. I would like to say, however, that it has seemed most worth while for Canada to participate. We are pleased to continue to participate in the extended work of the team. There was much loose talk at an earlier stage

accusing the Federal Nigerian Government of genocide, and I think that that Government acted wisely in inviting observers from a number of countries and organizations to assess the situation independently. The reports of the observer team have refuted these glib charges. For our part, we take this operation very seriously and expect our observers to move about freely, observe and report fully and frankly. They have done so. So has the United Nations observer.

May I pay a personal tribute to the Canadian officers involved, as well as to the officers and crews of the Canadian aircraft involved in our relief contribution, for the spirit and competence with which they have been performing duties which are somewhat out of their regular line. We are proud of them all.

With respect to our aircrew, Mr. Speaker, I have great pleasure in informing the House that the ICRC has communicated to the Canadian Red Cross its praise for the efficiency and conduct of the Canadian Hercules crew presently stationed in Fernando Po. The National Commissioner for the Canadian Red Cross states that this heartwarming message is of particular significance because no similar message had been received by the ICRC in Switzerland from its official in Africa with respect to any other aircrew.

There are many facets to the Nigerian problem. Much information has been brought out in the Standing Committee, and I believe the Canadian people are now better informed about its complexities and better able to understand the position of the Canadian Government. I should like to put that position briefly again in conclusion. The Government shares the deep concern of the people of this country with the suffering that is going on in Nigeria, and is anxious to help relieve it. It is doing so in a generous and responsible manner. We will continue to afford assistance and to increase it, if that is feasible, in order that human suffering can be alleviated. We will, moreover, continue to encourage in whatever way possible the peaceful settlement of the Nigerian dispute. We measure any suggested action against a single standard: Will it be effective?

Canada intends to remain friendly with all the peoples of Nigeria long after this dispute is settled, and to be in a position where we can play a useful role in assisting the African states to meet their problems. Our policies to this date have been designed to ensure that possibility. All information that reaches us from both parts of Nigeria indicates that we are successful to date.

The torment of the Nigerian peoples must be concluded as soon as possible. At the same time, the future welfare of the Nigerian peoples must be protected and assured. We must not permit our anxiety to achieve the first objective so to foul our reputation and hinder our effectiveness that we will not be given by the parties the opportunity to assist in the long-term recovery of Nigeria.

STATEMENTS AND SPEECHES

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68/20

THE CONFLICT IN NIGERIA

Statement in the House of Commons, November 26,
1968, by the Secretary of State for External
Affairs, the Honourable Mitchell Sharp.

Mr. Speaker, in rising to speak as this debate nears an end I should like to reassure the members of the House that I do not intend to go again in detail over ground that has been covered by other speakers. May I congratulate all of those on all sides of this House who have taken part in this debate upon the very high level of the contributions they have made. If any evidence were needed of the concern of the people of Canada about this tragic war in Nigeria, that evidence is to be found in the speeches made by the representatives of the Canadian people in Parliament. We have no reason to apologize, it seems to me, for spending a day talking about this tragic situation.

The civil war in Nigeria has presented both human and political problems of a high order. The humanitarian problem has been one of amassing vast quantities of food and other assistance for those in need as a result of the hostilities. A great effort, and I think this will be agreed upon on all sides, has been made by the International Red Cross and by other international and national bodies to alleviate the suffering. It is seldom that people of the world have gathered so much in a voluntary way, and amongst governments, for relief of the suffering in a country which has been torn by civil war. But more will be needed as long as the war continues. I can assure the House that Canada will continue to play an important part in this effort.

The political problem is more delicate because, as has been made clear, this is a civil war. There will have to be a readiness by all parties to compromise if a negotiated settlement is to be reached. We in Canada would of course be ready to facilitate the peacekeeping if there were any indication whatever that this would help bring an end to the war. Let us be frank about this. What has been missing so far is not more mediators - there are lots of those - but an indication from both sides that they are willing to participate in meaningful negotiations. The Commonwealth Secretary-General, the Organization for African Unity, both stand ready at a moment's notice to assist in the negotiating process. All they are waiting for is word from both parties that they are prepared to make the concessions necessary to get meaningful negotiations under way. As has been said by many speakers, action by outsiders in a situation such as exists in Nigeria is of no value whatever unless it is effective. As the Prime Minister himself said at the opening of this debate, unless the action is responsive to the wishes of those directly involved it can produce hostile reactions.

Canada's whole policy towards African and other newly emerging countries in recent years has been built on a spirit of co-operation rather than intervention. African history is ripe with examples of domination and intervention by peoples from other continents, and Africans are rightly sensitive about their hard-won sovereignty and their right to manage their own affairs.

Canada has earned a good name in Africa. Many speakers have mentioned this. They have said that Canada has a good reputation. Why do we have a good reputation? - Because we observe these principles of co-operation and non-intervention. We have been able to make a positive contribution to developments on that continent. We have been welcome in the Commonwealth countries of Africa, and we have been welcome in the *francophone* countries of Africa. We have been welcome because our policy has been to assist Africans and not to tell them how to run their affairs.

Canada's policy has therefore been recognized as sympathetic and disinterested. This Government does not intend to change that policy regardless of emotional appeals, however well-intentioned they may be, because I believe, and so I believe do all Hon. Members of this House, that if we were to abandon that policy we would become unacceptable and ineffective in the vast task that remains on that continent to overcome the problems of under-development and to create viable political societies on that continent.

I am confident, Mr. Speaker, that the Government will have the support not only of a majority of the Members of this House - I hope of all Hon. Members - but of the overwhelming majority of the people of Canada in pursuing this course.

The Government's responsibilities on the international scene are different from those of private organizations. In saying this I am not criticizing non-governmental groups operating in Nigeria or in other areas. The churches and other groups have done commendable work in bringing aid to the needy, and I join with many of the Members who have spoken in praising their work. I support it. I hope that everybody in this House and that all Canadians will support the work of the churches. What I am saying is that governments must act as governments. For example, the Canadian Government has chosen to funnel its food and transport aid in the Nigerian situation through the International Committee of the Red Cross, the traditional organization for the assembly and distribution of assistance in difficult situations of this sort.

The International Committee of the Red Cross has maintained working relations with the federal Nigerian authorities and with those in charge on the rebel side. It has the necessary support staff and organization on both sides. It has proven worthy of our support and continued co-operation, and I am quite sure that Hon. Members who spoke would not wish to reflect in any way on the excellent work done over years and years by the International Red Cross, and which is working so effectively in Nigeria.

The Standing Committee [on External Affairs and National Defence] has made a most commendable examination of the many complex factors involved in this difficult situation. Its report contains recommendations in nine areas, and it might be useful if I commented briefly on those recommendations. We shall, of course, be giving further study to the points made, and shall be pursuing them if this is feasible or desirable as the situation develops further. An indication of our views on them however may be helpful at this stage.

On the observer team the Committee noted that the initial invitation for the observers was for two months, and suggested the Government request the Nigerians to extend the duration of this invitation. In the interval since the Committee's report was presented the Nigerians have in fact extended the operation of the team for a further month. We have been able to extend our participation accordingly and would expect further discussion of this and related questions at an appropriate time with the Federal Military Government, and with those other countries and bodies participating in the observer team.

The question of whether the observers or a similar team should make observations on the rebel side is complicated by conflicting reports from the rebel authorities. I do not know whether the House is aware of some of the criticisms that have been made by the Biafran authorities, but let me read how the Biafran Commissioner of Information described the observer team. He said: "We don't recognize the observer team. They are a bunch of crooks." It is difficult, under these circumstances, for there to be any particular welcome for that group of observers in Africa. We shall however continue to study the feasibility of this proposal.

To the extent that the Committee's second recommendation deals with continuing and future Canadian assistance to Nigeria, I can report that we are in regular contact with the World Bank and with interested governments. The World Bank currently has a team of experts in Nigeria studying economic projects and priorities, and we expect to have the benefit of the conclusions of this team when it returns. It is important to note that assessments of this kind in any country must be carried out with the concurrence of the government concerned, and I may add, Mr. Speaker, that in this respect the co-operation between Nigeria and the World Bank is proving to be very useful at this critical juncture.

In so far as the Committee was referring to emergency food aid, the Government has had constant advice from the International Committee of the Red Cross both on the amounts needed and on the particular categories of food to be emphasized.

The question of land and sea corridors has been discussed in the Committee and in this House. It is one of those items on which it has not been possible for the two sides to agree, despite the best efforts of the relief agencies. I am sure we all regret this because it is quite clear, as was pointed out by one of the speakers in the far corner who said, "It would take planes moving in at about one a minute to supply the food that will probably be needed", and what we need will probably be land corridors.

I regret, as I am sure do all Hon. Members, the fact that it has not been possible to work this out. I hope it still will be possible. Most of all I hope that the war will be over.

The Committee's proposal for international machinery to aid innocent civilian victims of hostilities is one I supported at the United Nations. The House may recall, and the Members who were observers at the United Nations General Assembly will remember, that I made specific recommendations along these lines. These are now being discussed with other governments, and I hope will result in some positive action.

The Committee's third recommendation relates to the continuation of our emergency aid to the victims of the hostilities. The Government has intensified its efforts to be of assistance in the humanitarian sphere. I wish to announce, Mr. Speaker, that we have made a further allocation of food aid to Nigerian-Biafra in the amount of \$1,600,000. A shipment will be made early in the new year.

This aid will be distributed, as the other food aid was, to both sides. When we made our shipment on the vessel that left some time ago - and the vessel arrived recently - it was decided that the food was to go to various bases so that it could be moved either into the rebel areas or into the areas controlled by the Nigerian Government. The planning we have undertaken has followed consultations with the Red Cross and other contributors in order that the delivery of our supplies could fit in with their plans.

As to the airlift into rebel territories, it is obvious that daylight operations would permit the delivery of much larger quantities of relief. The Prime Minister therefore appealed to the rebel authorities to agree to daylight flights. I earnestly hope that Colonel Ojukwu will give his consent without further delay. It is tragic that food should be waiting to be moved in to feed hungry children, and is being held up because the necessary authority has not been granted for the movement. As to relief operations on the Federal side, Canadian Caribou aircraft have been offered through the Canadian Red Cross Society, and we await confirmation from the Nigerian Red Cross that they can be put to effective use.

In all these efforts we have worked closely with and relied heavily on the International Red Cross and the Canadian Red Cross Society. We are grateful for their help and advice.

The Committee proposed that we should offer, in concert with other interested governments, to provide non-military assistance in building a civil airstrip for the exclusive use of relief flights. This is a useful proposal, which will be explored, along with others, in preparing further development of our aid programme to Nigeria. For the immediate future we have considered it better to use the facilities already existing and, for example, just recently we offered the lighter Caribou aircraft for use in federal-held territory, since the Hercules is too heavy for the forward airfields. It has been said on a number of occasions that the Canadian Government would like to have the Hercules aircraft fly into Nigerian territory and into Biafran territory. They are not flying to Biafran territory because we cannot obtain agreement from the rebels, and they are not flying into Nigeria because there are no airstrips suitable for that size of aircraft.

I hope Colonel Ojukwu is listening when the Prime Minister of the country makes an appeal. I hope he responds quickly so that we may help to feed these people.

The Government heartily endorses the Committee's appeal to all Canadians to support the relief effort with their contributions. With the new allocation I have mentioned, the Government's contributions to relief and transport activities now come close to \$3 million.

The Committee's sixth recommendation deals with assistance to children from stricken areas. The Canadian Hercules aircraft stationed on the island of Fernando Po has been authorized to transport refugees to other neighbouring countries which are ready to welcome them. These people have been brought out from the rebel area by the Red Cross in order that they can be given better care. The Government has been happy to assist the International Red Cross in moving them to other countries. As to bringing children from the rebel area to Canada, the Government does not think it wise to press this idea in the face of the adverse views of those directly concerned.

The Government accepts the Committee's view that Canada should not sell arms to either side in this conflict. Indeed, as Hon. Members know, that has been the Government's policy throughout.

In its eighth recommendation the Committee urged the Government to intensify its efforts to persuade the parties to accept mediation. The caution attached by the Committee to this point is sound: that we should not operate in such a way as to jeopardize the effectiveness of our relief efforts. There are, as we have said, limitations on the Government's action on this essentially political question; but I can assure the House that within these limits we shall work strenuously for a peaceful settlement of this dispute.

On the proposal that Canada should contribute to an eventual peace-keeping force in Nigeria, I think it is premature to offer comment before a settlement or ceasefire has been achieved or before the terms of any peace-keeping operation are known. I may add this, however: As is well known, Canada has always taken a positive look at peacekeeping proposals, and I can assure the House that any proposals in respect of the Nigerian situation will be given prompt and careful consideration by the Government.

An amendment has been proposed to the Committee's report, Mr. Speaker, which would oblige the Government to take this question to the United Nations, to the General Assembly or to the Third Committee. As the Prime Minister explained this afternoon, and as has been made clear before, following intensive study of the matter we have come to the conclusion that this is neither a practical nor a useful initiative. Any proposal to have the matter discussed at the United Nations would not gain more than minimal support. For that reason alone an initiative would not be effective and would have no helpful influence on the situation. Moreover, if we were to press on regardless of the lack of support, Canada's position in the world body would be affected and the possibility of our taking useful steps on this or other matters would be seriously reduced.

In opening this debate this afternoon the Prime Minister spoke these words, with which I concur entirely:

" - I remain convinced that an attempt to inscribe the Nigerian conflict on the agenda of the General Assembly would not only be bitterly resented by the Nigerian Government and the member states of the Organization of African Unity, but would also be totally unsuccessful -"

He also said:

"Should we attempt to employ a General Assembly committee for such a discussion, conceding for the moment that we could do so, which is not entirely clear, our efforts would prove not only divisive but totally counter-productive."

I am asking, in the face of these statements, do Hon. Members think we should persist when the consequences of our actions would be those put forward today by the Prime Minister?

The Prime Minister said that we would incur the hostility and opposition of African states, and that would jeopardize our policy of dealing with the situation effectively. We would probably be told that we were not welcome in providing relief assistance in Nigeria, and our observer would probably be told to go home.

And now may I comment on the suggestion that we should intervene to press Britain, the U.S.S.R. and others to cease their sales of arms to the participants in this war? I am sure this House would be gratified if all the countries currently supplying arms to the two sides would cease to do so, and, if I thought that action by Canada would accomplish this, I would not hesitate to propose it. This is however a matter of policy for each government to establish for itself. It is well known that the French Government has denied it provides arms to the rebels. Moreover I ask the Members of the House this question: Would the situation be improved if external pressure caused the British Government to cease all its arms supplies to Nigeria, leaving the field open to the U.S.S.R. to become its principal source?

I should like to refer again to the hope, widely felt by the Canadian people, that this civil war can be brought to an end. I said earlier that the achievement of a peaceful negotiated settlement does not depend on the provision of facilities or the making of proposals by outsiders. Canada stands ready to be of assistance if that would be helpful; and I hope that the responsible course we have followed enhances the possibility of our playing a useful role. Whether any progress can be made toward peace depends, however, on the parties to the dispute. In particular, in my view, it depends on the Nigerian Government providing sufficiently convincing guarantees to the Ibos of their security after the conclusion of hostilities, and on the willingness of the rebels to envisage a negotiated settlement short of complete independence from Nigeria. To advocate a negotiated settlement and secession is a contradiction in terms. I would therefore urge those Canadians who have influence with the rebel side, both in this House and outside, to press them toward conciliation, and thus toward a peaceful settlement. And I call on the parties to this tragic civil war to show their willingness to negotiate positively, in order that with the assistance of the OAU or the Commonwealth Secretariat, a peaceful settlement can be achieved.

In conclusion may I restate the basic principles which have guided the Canadian Government's policy in this matter and which will continue to guide that policy:

1. The Government will continue to provide assistance generously to meet the needs of the people of Nigeria as a whole.
2. We will maintain close liaison with the legitimate government of Nigeria in order to provide relief to the population under its control.
3. We will continue to urge the secessionist authorities to co-operate in arrangements acceptable to the Nigerian Government for the relief of the population under rebel control.
4. The Government will be ready, when this tragic conflict is over, to co-operate with the Nigerian Government in the important tasks of reconstruction and rehabilitation it will face.
5. We will work toward a better international legal framework within which humanitarian assistance can be provided to people affected by civil conflict.
6. The Government will not violate international law by supporting or endorsing any move, bilateral or multilateral, which will constitute intervention in Nigerian internal affairs.
7. We will continue to call upon both sides in the conflict to negotiate their differences.
8. The Government will vigorously support any conciliation effort which may develop under the auspices of the OAU, the Commonwealth Secretariat or any other body acceptable to the parties.
9. We will stand ready to assist, if so desired by both parties, in promoting a negotiated settlement.



On conclusion of this statement, the following exchange took place:

Mr. Stanfield: The Minister indicated he would answer questions when he had finished. I wonder whether he would indicate what he meant when he said this Government would establish a better international framework to deal with civil conflicts, and whether he would indicate when he proposes to start on this, if not tomorrow?

Mr. Sharp: This has already been started. The words I used were: "We will work toward a better international legal framework within which humanitarian assistance can be provided to peoples affected by civil conflict." That is what we are doing in the United Nations today.

Mr. MacDonald (Egmont): In connection with the Minister's remarks about the observer team, I was wondering whether the suggestion had been explored that the team should be expanded, as Nigeria has requested, and that it should use its own vehicles, with the possibility of seeing all the areas presently involved in the conflict. The Minister did not say whether inquiries had been made in this direction.

Mr. Sharp: The Hon. Member may recall that when the team itself suggested that its operations should be expanded I supported that idea in a cable to the authorities in Lagos.

Mr. MacDonald (Egmont): Would the Minister answer the other part of the question with regard to the vehicles and the expansion of the team?

Mr. Sharp: We made it clear we would be prepared to help in that respect.

Mr. Brewin: Has the Minister made inquiries into the question of whether the airport at Calabar, in Eastern Nigeria, a region presently occupied by the federal forces, is not perfectly capable of accepting Hercules aircraft on frequent and repeated flights? It is one of the major international airports there.

Mr. Sharp: Yes, Mr. Speaker. Before I came to the House today I asked the Minister of National Defence (Mr. Cadieux) if he would give me an account of the position there, and I shall read the relevant sentence:

"Beginning 17 October, the Canadian reconnaissance team was permitted a survey of Calabar and Enugu airfields in Nigeria. Calabar was found to be acceptable by the Canadian team for limited Hercules operations. However, sustained operations would have seriously damaged the runway, which was not acceptable to the FMG."



STATEMENTS AND SPEECHES

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No. 68/21

SPECIAL NATO MINISTERIAL MEETING

Statement by the Secretary of State for External Affairs,
the Honourable Mitchell Sharp, to the Standing Committee
on External Affairs and National Defence, December 3, 1968.

From the outset the NATO ministerial meeting recently held in Brussels had a special character going well beyond the customary annual ministerial appraisal of the international situation and the state of the alliance. For the first time in the history of the alliance, the ministers assembled in advanced session to deal specifically with the implications of a serious international development -- namely, the Soviet invasion and occupation of Czechoslovakia. They did so in circumstances contrasting strongly with those surrounding their last two meetings.

Less than a year ago, in December 1967, they had met in regular session to proclaim a new emphasis on détente in the alliance's future activities. This new emphasis, which was seen as an essential prelude to a negotiated settlement of outstanding European problems, seemed warranted by the improved climate of East-West relations and the results of a year of intensive studies by the alliance. These studies had produced what became known as the Harmel Report, named after the Foreign Minister of Belgium, who played a leading role in its evolution. The theme of the Harmel Report, which was formally adopted by NATO ministers a year ago, is that future alliance policy should be based on the twin conceptions of deterring possible aggression and seeking solutions for East-West problems through a dialogue with the Eastern European countries. In approving the Harmel Report, Canada subscribed to a new collective emphasis on improving the political atmosphere, on developing East-West contacts and on concrete moves in the sphere of disarmament and arms-control. All of this was done without sacrificing the security of members of the alliance.

At Reykjavik, five months later, the ministers carried their détente policy a stage further with the concrete offer of mutual and balanced force reductions. At the time, this move was seen as the first in a series which would eventually enable the security of Europe to rest on some more durable foundation.

It is only in the light of this background that the profound effect of the Czechoslovakian affair, particularly on the European members of NATO, can be measured.

On the eve of their meeting in Brussels, the NATO ministers faced a difficult dilemma. By its actions, the U.S.S.R. had dramatically rejected a conception of détente upon which all Western planning had been based. In addition to hopes of successful arms-limitation talks with the U.S.S.R., the Western conception of détente had assumed that there would be a gradual evolution within the Communist bloc towards more humane and open societies, together with a gradual establishment of healthy relations between Eastern and Western Europe. There had been an underlying assumption on our part that the Soviet Union would acquiesce in these developments; certainly, they were not expected to have recourse to force to impede them. This assumption proved wrong and now there can only be serious doubts about how the Soviet Union will react to the changes which must inevitably occur in Eastern Europe. This new situation could affect Western interests indirectly, or even directly in the case of West Berlin, which is surrounded by the territory of the so-called German Democratic Republic.

Despite the setback the Soviet Union had dealt to their hopes, NATO member states realized there was no real long-term alternative to East-West understanding.

The question, therefore, was: How could they most effectively bring some influence to bear on Soviet leaders? How could NATO register its condemnation of the Soviet Union's action in Czechoslovakia while still holding the door ajar to the resumed pursuit of peaceful and mutually beneficial relations between East and West, including progress in the vital fields of disarmament and arms-control?

Since this was a problem shared by all members of the alliance, the opportunity which the Brussels meeting provided for consultation with other countries in similar circumstances demonstrated once again the value of the consultative aspect of NATO's activities. For Canada, it was not only an occasion to hear the views of others; it also provided us with an opportunity to play a part in determining the kind of response which NATO should make to the Soviet intervention. In this way, we can reasonably feel that we were able to influence the evolution of East-West relations in a direction that I believe reflected the views of Canadians -- i.e., that NATO should respond in a firm yet restrained fashion.

It is a tribute to the alliance that it was possible to solve so effectively the dilemma of condemning Soviet action while still holding the door ajar, as well as to reconcile the nuances of difference with which 15 governments would naturally view a situation as complicated as the one which has been brought about in Eastern Europe. A sense of compromise founded on common purpose and the habit of consultation, together with the excellent preparatory work which preceded the Brussels meeting, made possible the balanced and restrained consensus which is set out in the communiqué issued at the end of the meeting....

The discussion in Brussels had two principal elements. In the North Atlantic Council itself, foreign ministers examined the political aspects of the situation, while in the Defence Planning Committee the defence ministers of the 14 countries which contribute to NATO's integrated forces dealt with the military considerations. I shall be describing to you the results of the political discussion and Canada's approach to it, while my colleague, the Minister of National Defence, will deal with the military side.

It was the strong and unanimous view of the ministers that the Soviet Union's use of force in Czechoslovakia had not only jeopardized peace and international order but had also violated the basic right of the people of Czechoslovakia to shape their own future without outside interference. In view of earlier Canadian condemnation of Soviet action, you will not be surprised that we supported this approach by the Council.

There was also agreement that the use of force and the stationing in Czechoslovakia of Soviet forces not hitherto deployed there gave rise to uncertainty about the future intentions of the U.S.S.R. After all, the Soviet Union had demonstrated an impressive capability to bring substantial military force speedily to bear on a situation in Central Europe. Its decision to intervene with force in Czechoslovakia could not help but raise questions as to whether such an approach foreshadowed a new direction in Soviet policy for the future. It is hardly any wonder that, in the words of the communiqué, it was considered that this uncertainty required great vigilance on the part of the alliance. For us in Canada it is not always easy to put ourselves in the position of our European allies. However, I am sure that the reality of the concern and uncertainty felt by them will have been sensed by Members of Parliament who had the opportunity to attend the recent meeting of the North Atlantic Assembly, which happened by coincidence to be held in Brussels the same week as the ministerial meeting.

The ministers also expressed their concern about the Soviet contention, made following the invasion of Czechoslovakia, that there was a "Socialist Commonwealth" within which the U.S.S.R. had the right to intervene if it considered that developments in the area were inimical to its own interests. This concern, of course, paralleled our own, which I referred to earlier in the fall, during my statement to the United Nations General Assembly on October 9. I said at that time that Canada could not accept that a community of interests, real or alleged, political, cultural or economic, entitles one country to take upon itself the right to interfere in the internal affairs of another. In the Commonwealth of Nations to which we belong, the right of national self-determination is so taken for granted that member countries are free to develop ties with any other countries, including socialist countries.

The doctrine of the Socialist Commonwealth is the antithesis of the principle of non-intervention recognized in the United Nations Charter. It is particularly disturbing for the implications it could have for attempts at rapprochement and the ultimate unification of the two parts of Germany. In this context, the ministers in Brussels confirmed the support of their governments for the declared determination of the United States, Britain and France to safeguard the security of Berlin and to maintain freedom of access to the city. This part of the communiqué represents a reaffirmation of existing commitments for Canada.

The ministers accepted that the uncertainties extended to the Mediterranean basin. They agreed that recent expansion of Soviet activity in that area required continuing vigilance to ensure that the security of the alliance was not adversely affected. It was also accepted that there should be a continuing effort on the part of members of NATO to find political solutions for the problems of the region which would help to ensure its peaceful evolution.

The ministers agreed that, while the Soviet action in Czechoslovakia did not constitute a direct threat to NATO, the uncertainties regarding future Soviet intentions could not be ignored. The communiqué therefore reaffirmed the determination of their governments to defend members of the alliance against any armed attack, in accordance with the North Atlantic Treaty. It also observed that any Soviet intervention directly or indirectly affecting the situation in Europe or in the Mediterranean would create an international crisis with grave consequences.

It was considered that, in view of the new situation created in Eastern Europe, certain improvements in the military forces available to NATO would be desirable. The nature and extent of these improvements were discussed in the Defence Planning Committee, and the Minister of National Defence will be describing that discussion to you in more detail.

I should like to emphasize, however, that the limited improvements envisaged for NATO's forces could not by any stretch of the imagination be considered provocative or an escalation of the arms race. Their immediate military purpose was to improve the ability of the alliance to cope with the uncertainties of the period ahead resulting from recent Soviet action. Behind this, they served the larger political purpose of demonstrating to Soviet leaders that recourse to force in solving European problems was unproductive; that the reaction which it would inevitably generate could only serve to complicate rather than ease the solution of present or future problems.

Having accepted the requirement to maintain appropriate defences, the ministers underlined with equal emphasis their unanimous view that détente remained as the long-term goal of the alliance. It was agreed that the Soviet action in Czechoslovakia had seriously set back hopes of settling the outstanding problems which divided Europe, but it was acknowledged that solutions for these problems, together with progress in arms-control and disarmament, were essential elements in establishing a situation of lasting peace. In my own statement to the Council, I expressed the importance which Canada attached to continuing progress in the field of arms-control and disarmament. I expressed the hope that the Non-Proliferation Treaty would not become a casualty of the events in Czechoslovakia and urged that early action be taken by all concerned to bring the Treaty into force as soon as possible. I also indicated our desire to see the important discussions between the United States and the Soviet Union on the limitation and reduction of offensive and defensive strategic arms begin as soon as possible.

The ministers agreed that continuing attention should be devoted by the alliance to arms-control and disarmament so that progress could be resumed as soon as circumstances permitted. The communiqué specifically noted that, while recent Soviet actions seem to rule out any movement for the time being on the question of mutual force reductions, NATO should pursue its study of the issues involved so that it will be in a position to move ahead when more favourable circumstances prevail. Canada attaches particular importance to this element of the discussion in Brussels.

In conclusion, the ministers agreed that the North Atlantic alliance would continue to stand as the guarantor of security and the essential foundation of European reconciliation. Recent events had further demonstrated that its continued existence was more than ever necessary.

In my statement to the North Atlantic Council, I stated that, like others, we accepted that the threat to the alliance resulting from the Soviet invasion of Czechoslovakia was an indirect one, which faced NATO not with a problem of responding to premeditated aggression but rather of coping with the uncertainty and the possibility of miscalculation which recent Soviet conduct had fostered. In view of this situation, we agreed that NATO's continuing determination to resist any aggression directed against its members should be made clear, as well as the fact that the alliance could not be expected to remain indifferent to any further moves which even indirectly threatened its security.

While we accepted that it was natural in the existing circumstances to stress the defensive character of the alliance, we considered it was important that NATO should take advantage of all reasonable opportunities to resume the dialogue with the Soviet Union and thus to promote, in due course, progress toward the settlement of the issues facing Europe. We therefore supported the view that NATO's policy should be to keep open the option of normal relations with the U.S.S.R. against the day when the Soviet Union itself would recognize that such a course was in its own best interest. We urged that the communiqué should clearly reaffirm the alliance's pursuit of détente, together with the achievement of arms-control and disarmament measures, as its long-term objectives.

There is no doubt that on the eve of the Brussels meeting there was some concern on the part of the other members of the alliance regarding Canada's support for NATO. The events in Czechoslovakia had caused them to appreciate once again the value of NATO as a means of ensuring their security and they were naturally anxious that nothing should be done, particularly at this time, to detract from the solidarity of the alliance. By the time the meeting was over, I think we were able to satisfy our allies that we shared their concern about the future security of Europe; that although we were reviewing our foreign and defence policy, we should continue to live up to our commitments to NATO until such time as they might be altered; and that, if in the future the Government of Canada should consider changing our role in the alliance, we should, of course, consult with them.

In summary, the Canadian delegation to the Brussels meeting endeavoured to reconcile two main objectives.

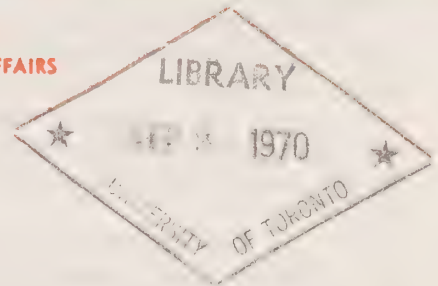
The first of these was to emphasize -- in a measured and practical manner -- our condemnation of Soviet action in Czechoslovakia.

The second was to co-operate with our allies in producing a response to this action which was designed to influence in a constructive way the thinking of Soviet leaders -- to encourage them to resume the dialogue with the West rather than resort to the use of force in seeking solutions to problems.



STATEMENTS AND SPEECHES

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No. 68/22

GUIDING PRINCIPLES OF CANADA'S DEFENCE POLICY

Statement by the Minister of National Defence, the Honourable
Léo Cadieux, to the Standing Committee on External Affairs and
National Defence, December 3, 1968.

... Before going into the defence aspects of the NATO ministerial meeting, you may find it helpful if I were to recall to your attention a little of the background and past history of Canada's defence involvement in NATO. In spite of our somewhat isolated geography, Canada has been involved during this century in two world wars and in several smaller ones. This experience has led to the acceptance by Canadians of two basic defence principles. First, that peace and prosperity for Canada depend on peace in the world and that Canadians have a responsibility to promote and preserve peace in the world; and second, that the only sensible approach for Canada in the pursuit of peace is to work collectively with like-minded nations.

We applied these principles to Europe during the precarious decade following the Second World War. The prospects for continued peace were uncertain, and our European friends were in military and economic disarray. In the early years of NATO, Canada responded, on the military side, to the pressing needs of co-operative defence by providing, under Mutual Aid, matériel sufficient to equip two and a half army divisions; we trained over 5,000 pilots; we provided over 1,000 aircraft and 25 naval ships. Forces were assigned or earmarked in all three environments: naval forces for service in the North Atlantic, a Brigade Group in Germany backed up by the balance of division in Canada, and an Air Division in Central Europe.

As our allies grew in strength and self-assurance under the climate of confidence made possible by the alliance, we have been able, in consultation with them, to reduce our share of the European defence burden, both as a proportion of the total effort and in absolute terms. Although our force commitments are now less than they were initially, this has been compensated to a significant degree by extensive improvements in weapons and equipment. The Canadian forces now based in Europe constitute a relatively small but militarily significant and identifiably Canadian contribution to alliance defence.

The stability engendered by the NATO alliance gave rise during the mid-60s to hopes for more normal relations with Eastern Europe, and even for some optimism regarding an eventual settlement in Europe. You will remember that the keynote of the NATO ministerial meeting a year ago in Brussels was the promotion of détente between East and West and, in Reykjavik in June, we began to think in terms of an

early start on negotiations with the Warsaw Pact countries for balanced reductions of Forces. Unfortunately, efforts in this direction were thwarted by the tragic events of last August. The unwarranted invasion of Czechoslovakia gave all member nations cause to reflect on the adequacy of the alliance defences, and it was apparent during our meeting two weeks ago that a consensus had developed. There was general agreement that the new situation called for increased vigilance and a qualitative improvement wherever possible in currently committed forces. The Czech crisis created a mood of caution and concern, and re-emphasized the need for defence preparedness in the face of an uncertain future.

In my statement to the Defence Planning Committee, which you will recall is the Council-level committee of the 14 member nations participating in the integrated military command organization, I supported the consensus that qualitative improvements in our committed forces would constitute reasonable and prudent action at this time, and I discussed several measures that we are taking along this line.

For example, I mentioned the four helicopter-equipped destroyers and the two operational support ships now under construction. Since there has been some discussion about these vessels and their relation to NATO I should like to explain to you our present plans for employing them after their construction is completed and they are commissioned into the Canadian Armed Forces. First of all, although support ships contribute a great deal to NATO's anti-submarine capability by enabling our ships to spend a higher proportion of time on active operations, they are not normally earmarked to NATO but remain under national command even in wartime. On the other hand, the four new destroyers would in the normal course of events be earmarked to the Supreme Allied Commander Atlantic (SACLANT) when they become operational. When this takes place, we plan to remove four of the older destroyer escorts from the list of forces now earmarked to SACLANT and retain them in the Canadian Forces for North American defence purposes only. Thus we are not at this time planning any increase in the number of ships committed to SACLANT, nor are we planning any extension in the normal area of operation of our NATO committed maritime forces (for example, in the Mediterranean), and our allies have been fully informed of our present intentions. The new destroyers will, of course, provide significant qualitative improvement in SACLANT forces. In discussing our contribution to SACLANT I also referred to our destroyer-modification programme, and pointed out that this too would lead to qualitative improvements in NATO's anti-submarine warfare capabilities.

I drew attention to our programme of re-equipping the Brigade Group in Germany and indicated that we were giving high priority to its completion. This programme includes, for example, a substantial number of new reconnaissance vehicles, some new counter-mortar radars, a large number of new wheeled vehicles, and completion of the stockpiling of certain kinds of ammunition.

I pointed out that our reserve forces would be enhanced through improvements in training facilities and increased training intensity, and that we intended to continue the training of reserve personnel with the Brigade in Europe.

I announced that we had decided to participate in the 1969 exercise of the NATO ACE Mobile Force (Land) in the northern regions of Norway, as we had done on two previous occasions. We shall be providing a battalion group for this exercise, and we shall at this time also practice the strategic air and sea operational deployment of the unit to Norway.

Finally, I stated that we had deferred the final decision regarding our planned 20 percent reduction in the number of aircraft in the Air Division in Germany. I might add that, in private discussions with several of my NATO colleagues, I learned that Canada's reassurance regarding the Air Division was particularly appreciated.

To clear up one or two misconceptions about the Air Division, I should like to remind you that the CF-104-equipped squadrons are dual-capable, and we have available now in Europe stocks of conventional ordnance for these aircraft. They are capable of making an effective contribution to the strategy of flexible response adopted by NATO a year ago. This is a conception that we support in principle and one that we have catered for in our committed forces. The Canadian Air Division is among the finest in NATO, and I should not hesitate to stand it beside any such formation in the world. Our CF-104 pilots, supported by the whole of the complex organization of the Air Division, have repeatedly taken the honours at NATO training competitions. The same applies to our ground forces in EUROPE - there are none better. When I spoke in Brussels, I mentioned that our military forces were all professionals, and I assured our allies that we were maintaining them at their high standard of equipment, training, and operational readiness.

On the defence side, the main purpose of the meeting two weeks ago was to reaffirm alliance resolve, in the aftermath of the Czech crisis, to stand together against aggression directed at any of its members, and to consult on specific measures being taken to ensure that the necessary defences are maintained. Canada joined with the other members of the alliance both in reaffirming this intention and in maintaining and improving Canada's defence contribution, as I have outlined to you.

While I am before you, I should like to say a word or two about Canadian security in relation to NATO. The major threat to the security of Canada and the Canadian people comes from the prospect of an intercontinental nuclear exchange arising out of a conflict of interest or of ideology between the super-powers. The forum where super-power interests most closely impinge on each other is Europe, and hence Europe is the geographical region where Canada's security is most in jeopardy. Thus, Canada's security is very closely interlocked with the security of Europe. These are inescapable facts of the world we live in. In the past, we considered it to be in the interests of Canadian national security to meet the challenge through our participation in NATO. How we meet the challenge in the future is one of the very important considerations of the defence review. But I ask you to remember this - the defence review cannot remove the challenge.

Perhaps I might finish by repeating to you my closing remarks to the Defence Planning Committee two weeks ago. At that meeting I said: "The Czechoslovak affair has demonstrated to all of us the importance of a collective approach to defence problems. Canada's history of the last half-century amply attests to our enthusiastic support of such an approach and has shown our willingness to make an effective contribution every time it was required. Collective security continues to be the guiding principle of Canadian defence policy."



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No. 69/1

CANADA'S RELATIONS WITH EUROPE

Introductory remarks by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, at the Opening of a Seminar on Relations with Europe in Hull, Quebec, January 3, 1969.

I welcome the opportunity which your chairman has provided to say something about the importance the Government attaches to the discussions about Canadian relations with Europe which you are starting today. We are grateful to academic participants for their willingness to come here at this time. We are grateful also to the Canadian Institute of International Affairs, in particular, and to other organizations for the part they have played in making arrangements for this meeting.

When the Government decided, shortly after the last election, to undertake a review of foreign policy, we did so because of the conviction that profound changes have been taking place in Canada and in the world around us in recent years. We want to be sure that our foreign policy is appropriate to the situation in which we find ourselves today and that it serves effectively Canada's current interests, objectives and priorities.

Having taken a decision to review our foreign policy, we had to settle on a method of approach. Foreign policy is, in fact, not a single entity but a collection of policies designed to deal with various aspects of our relations with the rest of the world. We lump these together under the convenient title of "foreign policy", although there is not likely to be any single set of policy decisions which will cover all the situations we encounter in this increasingly complex world. When we set out to review our foreign policy, therefore, we had to break the subject down by some means. We might have started by looking at our own country to determine what kind of people we are, what are our interests and needs, what are our strengths and weaknesses and, consequently, what role we are best suited to play in world affairs. Alternatively, we could begin by looking at the world around us to determine what kind of situation we are living in, what changes are taking place or ought to take place, and what kind of world we should like to see. One cannot separate these two approaches. They are both essential components of any foreign policy. We have chosen to concentrate first on the world in which we find ourselves, rather than begin by an attempt at national self-examination which could prove to be an artificial exercise if it were not related to the actual state of the world.

One of the first steps we took in breaking down the broad subject of foreign policy into areas for intensive study was to set up a Special Task Force on Canada's Relations with Europe. Obviously, there are few parts of the

world in which change has been so noticeable in recent years as in Europe; there are few areas where Canada's existing relations are so diverse and extensive; there are few areas where Canadian foreign policy has been so much a subject for debate.

We have the additional reason for assigning first priority to Europe that, at the same time, the Government is undertaking a review of defence policy. A very large and important part of Canada's defence efforts is directed towards Europe in pursuance of the commitments we have made as a member of the North Atlantic Treaty Organization. It was, therefore, important that, at the same time as we were reviewing our defence policy, we should review our relations with Europe in the political, economic and other fields which are inevitably intermingled with our defence commitments.

The Special Task Force on Europe is made up of senior officials representing those government departments with special interest in our relations with Europe. It is under the joint chairmanship of Mr. Robert Ford, our Ambassador to the U.S.S.R., and Mr. Paul Tremblay, our Ambassador to Belgium. External Affairs supplies the secretariat and the Task Force will report through me to the Prime Minister and the Government. The officials here today are members of the Task Force and senior officers of External Affairs directly concerned with our relations with Europe.

The Task Force began its work last summer and since then has compiled, probably for the first time, a comprehensive inventory of our past and present relations with the countries of Eastern and Western Europe (including Britain) and with European organizations. In the process of collating this material, certain major issues have emerged, and it is with a view to having these issues discussed that this seminar has been organized. The Task Force and the Government will then have the benefit of your views when they proceed to draw conclusions from the review of European policy.

It is to inform and stimulate this discussion that a background paper and a series of five discussion papers were prepared on the official side and circulated in time for you to reflect on them before coming here. I wish to emphasize that they were not designed to express official positions or to suggest conclusions or to prejudge your discussions in any way, but only to focus discussion on the issues that appear to the Task Force to be among the most important. They do not exclude your raising other issues or suggesting other approaches.

In this spirit, it may be helpful if I say a word about our objectives and interests in Europe, which are closely related to the topics figuring on your agenda. To begin with, there are two basic Canadian problems which are interrelated and which have important external aspects: the problem of national unity and the problem of national identity. The first involves the reflection in our foreign policy of the bilingual nature of Canada, and has particular reference to our relations with France. The second involves the difficulty a country in Canada's position encounters in creating and projecting a distinctive way of life. This difficulty has been aggravated by the considerable increase in our relations with the United States since the last World War and by the relative increase in the power and influence in world affairs of that country during this period. It is a question whether Canada should seek to develop its interests in other parts of the world, and particularly in Europe, as a counter-weight to the increasing influence of the United States.

We have a security interest in Europe, and here our objective is to do our share to maintain peace or contain conflicts which could lead to a global war. This objective has implications for the role we play in East-West relations and for our relations with the countries of Eastern Europe. It also has implications for our defence relations with Western Europe and our future role in NATO. What these implications are is, of course, a matter for discussion at this seminar.

We also have economic objectives which might be described as seeking to obtain the most favourable impact of activities in Europe on the Canadian economy. One-fifth of Canada's export trade is carried on with European countries, including Britain. Europe is, therefore, after the United States, our most important export market.

Finally, there is an interest in Europe which relates to the international role which Canada plays in the maintenance of a free and stable society based on the rule of law. In the pursuit of this objective, Canada participates in international organizations, aid programmes and peacekeeping operations. We also engage in cultural and information programmes for the purpose of encouraging human relations between countries. These give an external dimension to our culture and provide a basis of mutual understanding which tends to support our foreign policy initiatives.

I expect that participants in this seminar, as well as other interested individuals throughout the country, might ask when there will be discussions about aspects of our foreign policy other than relations with Europe and whether, on the governmental side, there is an interest in continuing such exchanges beyond the present period of major review of policy. We have, indeed, been considering such possibilities in other areas of the review, and we intend, with the advice of interested non-governmental organizations, to involve specialists in other fields in discussions of other sectors of policy.

In the near future we hope to convene a meeting similar to this one to discuss Canadian relations with Latin America. Mr. George Ignatieff, who has been Canada's Permanent Representative to the United Nations in New York, is returning to Ottawa shortly to start the process of examining Canada's role in the United Nations. After the preparatory work has advanced sufficiently far under his direction, we shall seek to consult knowledgeable persons outside the Government on that aspect of our foreign policy.

The development of closer relations on a permanent basis between those who teach and do research about international affairs and those who advise and carry out the decisions of government in this same field is something to which I attribute considerable importance. Foreign policy must, in a very real sense, be constantly under review. We cannot regulate the world by our own decisions. One review of policy cannot provide all the solutions in advance to problems of the Canadian response to unpredictable situations.

Several of you from universities will be aware of the informal consultations which officers of the Department of External Affairs have carried out with individual faculty members in the past year about the means of developing closer relations. These are parallel, of course, to initiatives which I know other agencies of the Government represented here today have taken to develop contacts with the academic community.

From those consultations engaged in by my own Department, and from examination within the Department of the reasons which, from our own standpoint, make closer relations desirable, we have drawn some conclusions. We should like to continue the type of exchange which this present seminar represents. There is an increasingly varied range of discussion about international affairs sponsored by universities, learned societies and organizations such as the Canadian Institute of International Affairs. The Department of External Affairs derives benefit now from having officers attend a number of such meetings at the invitation of the sponsors. If sponsors of such meetings wish, from time to time, to arrange discussions, more or less under the conditions characterizing this present seminar, involving officials and those with similar interests from the universities and elsewhere, we shall be glad to consider co-operative arrangements within the limits of our own resources.

I have examined other means of developing exchanges in what I hope could be a mutually-profitable manner. I should like to have some officers from the Department of External Affairs freed from normal operational responsibilities at home or abroad to spend a year examining, in a more reflective way, the best ways of achieving Canadian objectives in areas in which they already have knowledge and experience. I think that a "sabbatical" year of this type would be a good deal more profitable if the officer concerned were to leave Ottawa and live on a university campus. The resources for formal research there, added to the opportunity for continuing discussions with faculty members and informal involvement in university life with a different environment of thought, would certainly stimulate the examination in depth of Canadian objectives and techniques which I should like to encourage. At the same time, through such exchanges an experienced foreign service officer can make his contribution to a better understanding of world affairs and Canadian involvement in them.

I believe also that, to enable the Department of External Affairs to keep up with a steadily-increasing volume of study and with changing methods of research in international relations and area studies, it would be desirable to have academic specialists speak to groups in the Department and perhaps to add their contribution to the training and orientation given new foreign service officers before they undertake their first assignments abroad.

We have been examining other projects, but this is not the occasion for a general review of relations between the Department of External Affairs and the universities. I wanted primarily to ensure that you would see this seminar not as an isolated occurrence involving a relatively small number of individuals discussing a complex subject in a couple of days but as part of a process. With the continuing friendly co-operation of the organizations we have recently consulted and others, we hope to ensure that, over a period of time, we shall develop those wide and varied contacts on which real communication about matters of common interest depends.

The proceedings of this seminar are not to be made public. I would ask your permission, however, Mr. Chairman, to bring these introductory comments to public attention.

I hope too that the academic participants in this seminar will, in due course, write about their experience here as a means of fostering wider discussion. The deliberations taking place over this weekend are not secret. It is true that,

to make the seminar as frank and fruitful as possible, it is being operated under the rules of the Canadian Institute of International Affairs, which preclude attribution of opinions to specific individuals. With this stipulation, it is the Government's hope that these informal discussions will lead to a more pointed and better-informed dialogue in the country as a whole. I also expect that the Parliamentary Committee on Foreign Affairs and Defence will have a series of meetings at which interested and qualified private individuals and groups will be invited to state their views and reply to questions. It may well be that some of you will wish to state publicly then the views you will be expressing more privately here.

I hope that this will be an open seminar. It would be unfortunate, I think, if officials here felt that they had to take a defensive position and our academic friends felt it incumbent upon themselves to be on the attack. Useful discussion calls for frankness, for sharp interchanges and lively debate. All of these there will be but not always, I hope, from predetermined positions.

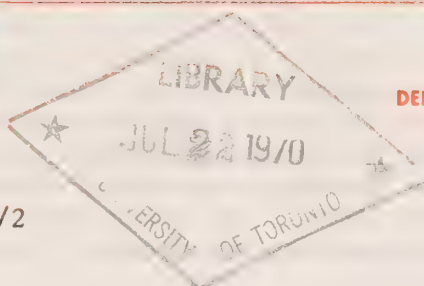
I look forward to meeting you again tomorrow evening and hope that your discussions go well.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/2

REVIEW OF CANADA'S ECONOMY IN 1968 AND OUTLOOK FOR 1969

Statement by the Honourable Jean-Luc Pepin, Minister of
Industry and of Trade and Commerce, December 31, 1968

Nineteen hundred and sixty-eight has been another good year for Canada. Against the background of a sharp acceleration of the rate of growth of world production and trade, the forward momentum of the Canadian economy picked up significantly. It now appears that the gross national product has increased by close to 8 per cent this year and national output in real terms by no less than 4 per cent. The growth of demand and output, however, has not been adequate fully to absorb the new productive resources becoming available. While employment on average is up 2 per cent over 1967, unemployment has increased somewhat and is now running at about 5 per cent of the labour force, seasonal factors aside.

Total industrial output is up $4\frac{1}{2}$ per cent this year compared to last, and manufacturing has shown a gain of over 4 per cent. Gains in real returns to manufacturers and the consequent increase in demands upon other sectors of activity have been an important factor contributing to new job opportunities in the economy as a whole.

In varying degrees, continental rationalization of production continues to impart new vitality to Canadian manufacturing, and industries extensively involved in this process are in the forefront of this year's advance. Motor vehicle assemblies have exceeded 1.1 million units in 1968, and output of vehicles and parts combined has increased nearly one-fifth in the past year and three-fifths since 1964. Annual exports of automotive products have reached the \$2.5-billion mark to become by far the largest single Canadian export. While imports of automotive products still exceed exports, the deficit incurred in 1968 is the smallest in a good many years. Output of aircraft and parts is also up substantially in 1968, this being another industry heavily involved in two-way trade. In iron and steel, the strong growth trend of preceding years has been sustained in 1968, reflecting both higher exports and the expanding domestic needs of other export-oriented industries.

Among industries encountering less favourable conditions are the newsprint producers, which, faced with newspaper strikes and expanded newsprint capacity in the United States, have barely maintained the 1966 production

level. Also, various equipment- and material-producing industries have been adversely affected by the slower tempo of investment spending over the past two years.

Among the principal domestic sectors of demand, new expansive stimulus in 1968 has come mainly from housing and from consumer spending. Notwithstanding the high cost of mortgage money, about 15 percent more houses have been started this year compared to last and the value of residential construction is up substantially. Meanwhile, consumer spending has more than kept pace with growth in the economy, reflecting the continuing strong upward movement of personal incomes and sustained consumer buying interest, particularly for durables and services.

In 1968, as in the preceding year, the main impetus in the Canadian economy emanated from the growth of sales in foreign markets. Exports in 1968 are up by \$2 billion, or 18 per cent. Imports have also increased, but by a lesser amount. Canada's surplus on merchandise trade has risen from \$0.5 billion in 1967 to well over \$1 billion in 1968, by far the largest trade surplus ever realized in a peacetime year.

Foreign tourist receipts have approximated the billion-dollar level and the balance on tourism compares favourably with the achievement of preceding years, with the exception of 1967, Canada's centennial year. While Canada's deficit on all service transactions is much higher in 1968 than in the preceding year, this increase has been more than offset by the improvement on merchandise trade. Thus, Canada's position on all current transactions with the rest of the world is now closer to balance than at any time in the past 15 years.

The dominant factor underpinning the sharp growth of Canada's exports in 1968 has been the accelerated tempo of business in the United States. Sales to this market have increased by a spectacular \$1.75 billion, or 25 per cent, in the space of one year. In Canada's largest overseas market, Britain, a general policy of demand restraint has limited sales expansion opportunities, but exports to this market have nevertheless shown a moderate advance. Exports to Japan, now our third-largest market, are up moderately in 1968 following a spectacular 45 percent growth in 1967. Among other overseas markets, major gains have been achieved during the past year in Australia, West Germany and Belgium-Luxembourg.

Automotive products account for nearly two-fifths of the increase in Canada's exports and an even larger proportion of the rise in imports. Good export increases have also been achieved for copper, nickel, aluminum, iron ore, lumber, woodpulp, petroleum and natural gas, machinery of various kinds and aircraft. Wheat sales, on the other hand, are lower in 1968.

Looking ahead to 1969, external market conditions may not be as favourable as in the year past. In the United States in particular, demand pressures are expected to ease somewhat and this would entail less spectacular growth in sales to this market. In Britain and also in France, the recent intensification of restraint programmes, directed in particular toward improvement in external payments positions, will dampen for the time being new sales expansion opportunities. On the other hand, prospects are good in a number of countries, particularly Japan, where recent strengthening in the external-payments position will permit a more expansive demand policy, and West Germany, where foreign sellers will benefit from steadily expanding demand coupled with lower levies on imports.

All things considered, a further growth in exports in the range of 5 to 10 per cent appears to be a realistic expectation for the coming year. The further Kennedy Round cuts to be made on January 1 by the United States on a broad range of products of interest to Canada will be helpful.

From within the Canadian economy, it is evident that new growth impetus will be provided by the currently rising trend of capital investment. A recent survey of investment intentions of large companies indicates that capital spending in the business sector will rise by something like 8 per cent in 1969, compared to 2 per cent in 1968. House-building activity also continues to point upward. In the consumer sector, a firm trend of personal incomes will provide underpinning for sustained growth of spending on consumer goods and services.

It is quite possible that any slowing-down in export growth will be offset by stronger domestic demands, with the result that an active tempo of business activity will be sustained. How close the economy comes to realizing its full growth potential will depend on how Canadians respond to the exacting challenges ahead.

One worrisome feature of our current economic performance is the persistent upward movement of costs and prices. The price component of the gross national product increased by 3.9 per cent in 1967 and has increased only slightly less this year. Consumer prices rose by 3.5 per cent in 1967 and in 1968 are up by more than 4 per cent. This degree of price increase places cumulative strains on the economy. It creates inequities in the distribution of income (particularly for those on fixed money incomes), it disrupts the investment process by adversely affecting savings, and it erodes our competitiveness in international markets, which for a trading nation, such as Canada, is basic for sound growth and sustained prosperity. To date, the rise in prices has not prevented a good performance in foreign markets. However, in achieving this good showing, prices of Canada's exports in recent years have risen less than domestic prices generally. Clearly, there is a limit to the amount by which domestic costs and prices can rise before they start to impinge on exports.

If increases in the general price-level are to be held in check, income returns must be in line with the improvement in national productivity. Widespread efforts to achieve gains over and beyond the improvement in national productivity serve simply to erode the value of the dollar and disrupt the economy, and, in the end, are self-defeating. Real income gains for the whole community come only through the more effective use of the nation's resources. It is by directing our efforts to real, as opposed to illusory, gains that Canadians will make the most of the promising opportunities which lie ahead.

The new department combining the functions of Industry and Trade and Commerce will direct its efforts to the improvement of the productive capabilities of Canadian industry and the extension of the benefits accruing from international specialization and trade. In this endeavour, it will seek the co-operation of all Canadians, who can contribute to the achievement of the goal of sound and balanced growth and the expansion of our trade. Only by the constructive and purposeful pursuit of this objective by all concerned can we be assured of a truly prosperous New Year.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
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69/3

THE ROLE OF MIDDLE POWERS IN A CHANGING WORLD

An Address by the Honourable Mitchell Sharp, Secretary of State for External Affairs, at Carleton University, Ottawa, February 20, 1969.

There is a faintly old-fashioned ring about classifying countries as great, middle or small powers. In the nineteenth century, and more or less up to the beginning of the Second World War, nations were ranked by the size of their naval fleets and there were only five or six "great powers". They were the ones with battleships. Now the battleships have gone and so has the whole order that they symbolized. One of the really striking developments on the world scene in the past 25 years is the advent of vastly greater numbers of independent states. It is very much more difficult, if not impossible, to classify them as great, middle or small powers.

The conception of degrees of "power" in a sense remains. It is still true that nations have varying capacities to influence the course of events outside their own borders. It is also a fact that nations differ in their freedom and capacity to act within their own borders. None of us, of course, is completely independent. The actions of every nation impinge increasingly on the others and not even the greatest powers can entirely disregard the interplay of national decisions. But some of us have more ability than others to play an active rather than a passive role in the world.

This capacity of a state to pursue policies of its own choosing and to influence other states rests fundamentally on three factors: (a) economic capacity; (b) military strength; (c) diplomatic and political influence.

These functions are obviously interrelated and no nation can be considered a power of any consequence unless it has a measure of capacity in all three. Nevertheless, it is possible for a nation, by deliberate choice, to place great emphasis on one sphere of activity and much less on the others. It is also possible for a country to be compelled by circumstances to rely heavily on one source of national strength,

There are cases of nations which have considerable economic capacity but have chosen not to acquire or to employ military strength. Postwar Japan is an economic power of major proportions which has decided

to maintain only modest military forces and to rely on the United States for its security requirements. Britain, on the other hand, is a nation whose economic and military strength has undergone a relative decline. But British political influence is still very significant in large parts of the world where British military force is no longer dominant. We have other states militarily very strong in relation to their economic capacity and their political influence. Israel is an interesting example. The circumstances of that country's recent history have compelled it to devote an extremely high proportion of its resources to military purposes in order to survive.

In Israel we also have an example of another dimension to the whole question of the "power" of modern states- the geographical dimension. A nation may play an important part in some region of the world because of its capacity in one or more of the three factors I mentioned a moment ago, but its effective influence may not extend much beyond the region. Israel's military capacity relative to its neighbours is obviously very high and for this, as well as for other reasons, Israel is a key country in the Middle East. On the other hand, in terms of its size and population Israel must be considered as a small country, measured on the world scale.

There is one more dimension we must keep in mind if we would place the nations of the world in some order of rank. It is the dimension of time. A country may be apparently strong and vigorous in one decade but mired in political dissension or plagued by economic crises in the next. The international scene is constantly shifting and the relative strengths of nations are rising or falling. We can never take for granted that the present order will remain unchanged for any great length of time.

Looking at the world today in the light of the variables I have referred to, it appears that there are really only two great powers - the United States and the U.S.S.R. They are the only countries which are at the same time immensely strong in economic, military and political terms and have the capacity to exert their strength not just regionally but all over the world. They have, of course, the supreme ability to exchange intercontinental nuclear annihilation. No other nation is anywhere within reach of that dreadful capacity. It is probably more accurate to refer to the United States and the Soviet Union as "super-powers".

I doubt that there is much point in attempting to classify those nations which are not super-powers. The fact of the matter is that the vast majority of countries have the capacity to exert some influence on the international scene, either in their own geographical area or in the world in general, or in one functional field or another, and therefore they fall into an indeterminate classification. We are nearly all middle powers. Apart from the two giants at the one end and, at the other, a certain number of very small states which are not capable of independent action to any significant degree.

If, then, the world is full of middle powers and their national capacities are of great variety, it is difficult to define a role in international affairs for middle powers as such. It is true of middle powers, as it is of all nations, that their role is largely predetermined by the

resources they possess and their historical and geographical circumstances, The effectiveness with which they play that role is another matter. It is dependent upon an accurate and realistic assessment of their capabilities and a sensible choice of policies.

The capacity of the super-powers to affect the destiny of other nations is so enormous that middle powers must clearly be vitally concerned about the policies of the U.S.A. and the U.S.S.R. Middle powers have a right and a duty to seek to influence the actions of the super-powers. This influence is likely to be more effective if middle powers act collectively. Indeed, it might be taken as a general rule for middle and small powers that they can be most effective in almost every field of international activity if they act together.

The scale and form of collective action by middle powers depends on the purpose. It may be a functional purpose, as in an economic organization, or a geographical one, as in a regional organization, or it may be a universal objective pursued through the United Nations. The principle is the same. Collective action is likely to be more effective.

Sometimes a middle power may be able to play a special role in a situation where the super-powers, locked in contest for world-wide influence, dare not make a move. Such cases are rare, however, and their importance should not be exaggerated. Canada's initiative over the Suez affair in 1956 is sometimes cited as an example of this role for a middle power, but let us remind ourselves that there were very special circumstances at that time.

I have arrived by this somewhat circuitous route at the acknowledgment that Canada is probably a "middle power" however we define that term. It is plain that we have become a nation with significant economic weight. We have a population of 21 million and a gross national product of more than \$60 billion, and our economy is growing at a steady rate. We offer a market of considerable proportions for the products of other countries. In a number of products we are one of the leading producers and exporters. We have resources that are attractive to capital from outside our own country. We have a sufficiently high standard of living that we can well afford to contribute substantial resources to international activities without in any way weakening our own economy. In short, we are an economic power.

We also have an appreciable military capacity. It is not great in terms of the super-powers, nor is the approximately 100,000 men in our armed forces a very significant number by comparison with many countries whose population is smaller than ours. But our forces are well-trained professionals; they are volunteers, not conscripts, equipped with modern weapons and capable of very effective employment in selective situations.

Canada also has a considerable capacity for political and diplomatic influence. We are a respected country in most parts of the world and in the United Nations and other international organizations. This is in part because we have no history of domination over other lands and no historic grievances to trouble our relations with other peoples. We maintain a corps of skilled professional diplomats, competitively selected

from the best products of our universities. We have produced some outstanding political figures whose personal abilities have enhanced the influence of our country abroad, notably the Right Honourable Lester B. Pearson. Our people generally have shown a sympathetic understanding of the problems of other countries.

But what about the regional dimension? The peculiar situation of Canada is that we are a nation with adequate capacity to play a very considerable role in a regional setting but, for all practical purposes, our immediate region consists only of ourselves and the United States, which is one of the super-powers. It has been shrewdly observed that we are a regional power without a region. Therefore, we must look further afield.

A realistic assessment of the national capacity of Canada in the various fields I have enumerated, combined with our situation next to the United States, leads inevitably to the conclusion that, if we are to advance our national interests and exercise real influence on the course of world affairs, we should do so in conjunction with other nations. Every Government in recent Canadian history has come to this conclusion. Whatever functional area one examines, it is impossible to envisage Canada making its weight felt with maximum effectiveness unless we get the co-operation of a number of like-minded nations.

In the economic field, Canada has for a long time pursued the so-called "multilateral approach" to world trading problems. We have recognized that, in the face of our overwhelming economic involvement with the United States, it is in our interests, and those of the international community as a whole, to encourage the development of a liberalized multilateral world-trading system, rather than an autarkic or bloc trading system. So, we have been strong supporters of GATT and the IMF. When trading blocs like the European Economic Community have developed, we have tried to ensure, by acting in concert with other countries that face similar problems, that the new economic groupings follow the principles of GATT and are not inward-looking and exclusive.

In the military field, a feature of the Canadian answer to the problem of effectively ensuring our own security for the past 20 years has been to work with other middle powers in NATO. Since Europe is the place where a conflict, if not contained, could lead to a nuclear holocaust which would inevitably engulf Canada, we have supported and contributed military forces to the security arrangements in which the countries of Western Europe have joined with the United States under NATO.

NATO, of course, is not just a military organization. Its members have been increasingly preoccupied with such problems as accommodation between East and West and with disarmament. For Canada, the opportunities our NATO membership has presented for close consultation with other middle powers have been of particular value in balancing up our rather unequal North American partnership with the United States. NATO is a unique form of close association with a group of other nations whose collaboration is important to the United States.

We are now reviewing our membership in and commitments to NATO in the light of the situation that has evolved since the alliance was formed in 1949. I have yet to hear any convincing argument that, if Canada wants to play a part in ensuring its own security, in the resolution of the security problems of Europe that directly affect our own fate, and in mitigating the confrontation between the super-powers, we could do so as effectively as within some such collective effort as NATO. We could opt out, of course. That is an alternative. We could decide not to participate with our NATO partners in the search for collective security and a settlement in Europe. But the problems of a divided Europe will not disappear if we opt out. In or out of NATO, Canada cannot isolate itself from the consequences of failure to establish a stable order in Europe.

There are problems of peace-keeping outside Europe and here, too, Canada has attempted to make sure that our contribution is most effective by combining it with the contributions of other nations. Canada has been among the foremost supporters of peacekeeping operations under the auspices of the United Nations. We have participated in every peacekeeping operation undertaken by the UN since 1948. Unfortunately, because of the stubborn opposition of some important members of the United Nations, the prospects for permanent peacekeeping arrangements or further United Nations ad hoc peacekeeping forces are not good. I see no reason, however, not to go on patiently trying to find a way round the road-blocks that have been thrown up in the United Nations. There are a good many other middle powers in the United Nations that share our views, and that are willing to join with us in maintaining pressure for the development of the peacekeeping conception.

There are numerous other instances of Canada fitting itself into groupings of nations organized to achieve some common purpose. One of the most interesting, and perhaps the most peculiar, of such institutions is the Commonwealth. It is, as you know, a very loose association of independent nations, with a modest secretariat. All are graduates of the British Empire school of nationhood.

The Commonwealth has achieved notable success over the past 20 years in easing the transition from colonial dependence to national independence for many members of the world community. It has still a significant role to play in bridging the gulf between the rich and the poor nations and in easing the racial tensions which, unfortunately, very often coincide with disparities of wealth and poverty. For Canada, the Commonwealth has continuing value as an instrument through which we may exert some influence upon the course of events in a large and important part of the world.

The supreme example of Canada joining with other nations to seek international objectives is our membership in the United Nations. In the UN and its associated international agencies we have the opportunity to play a part in every aspect of the struggle to build a stable and just world order - peaceful settlement of disputes, respect for human rights, liberalization of international trade, aid to developing countries, codification of international law. In most cases we find it advantageous to work closely in the UN with other middle powers, but not exclusively. Sometimes the cause of world order is advanced most effectively by supporting the initiative of a super-power. Sometimes a very small state puts forward a valuable and important proposal, as Malta did on the exploitation of the resources of the

ocean-floor. Canada has long supported the principle of universality of membership of the UN, in the belief that every nation has something to contribute.

I have touched briefly upon some of the things that Canada has been doing in the world and the reasons for some of the policies we have pursued in the past. I should now like to pose some questions about these policies and to suggest some directions which we might take in adapting them to changes in the world scene and in our own country.

As I mentioned earlier, one of the most dramatic changes that has occurred in the world scene in the past 25 years is the proliferation of middle powers. We live in a time of the dissolution of empires. The empires of the Western European powers are largely gone and only a few small remnants remain. The ideological empires seem also to be loosening. They are certainly not nearly so monolithic as they were 20 years ago. Moscow and Peking now vie for ideological leadership of the Communist world. Yugoslavia is Communist but non-aligned and Romania and Czechoslovakia are restless under the Soviet yoke.

The result of a situation in which there are vastly greater numbers of independent states, or states with a greater degree of independence, is that the pattern of political relations throughout the world is constantly shifting, unstable and unpredictable. It is immensely encouraging that so many peoples have acquired far more personal and national freedom than they ever had before, but this very freedom may lead initially to dangerous tensions or violent outbreaks. In various corners of the world, peoples who have been under the dominance of an imperial power are struggling to establish a new equilibrium. Such is the case in Vietnam, Nigeria and Czechoslovakia.

Another aspect of the world situation which has come increasingly to the fore in the past 25 years is the crisis of underdevelopment. The problem has been there for a long time. In its present form it has existed at least since the industrialized nations of the West began their take-off into relative affluence in the nineteenth century. But the disparity has become vastly more acute in our time and both we and the inhabitants of the underdeveloped countries are far more aware of the problem through the efficiency of world-wide communications. The poverty-burdened majority of the people of the earth are increasingly conscious that we of the rich nations are still outstripping them in economic progress as every year goes by.

As I see it, two of the most important foreign policy questions facing Canada today are what we do about the issues of peace and war in parts of the world with which we formerly hardly concerned ourselves, and what we do about the enormous disparity between rich and poor all over the world. We have long been closely concerned about events in Europe, and rightly so. We are an offshoot of European civilization; that is where the bulk of our population traces its origins, where we have very large economic interests and where the most immediate threat to our security lies. We cannot turn our backs on Europe but we are compelled to add new dimensions to our thinking about other parts of the world.

Canada has been drawn, partly by the accident of membership in the Commonwealth, into assisting in the struggle for economic viability of, first, India, Pakistan and Ceylon and, later, other Commonwealth nations in Asia, Africa and the Caribbean. We have found ourselves grappling at the United Nations with the complexities of such issues as the Korean War, the Congo rebellion, Cyprus and the Arab-Israeli conflict in the Middle East. We were called to play a part in the International Control Commissions set up so hopefully in 1954 to supervise the settlement in Vietnam after France's withdrawal. We now have to decide whether we are to continue all or some of these involvements, to broaden out our interests abroad, or to concentrate on certain international functions and certain areas of the world.

Canada's contribution to international development assistance now amounts to more than \$300 million annually and we are pledged to increase it to 1 per cent of national income. Our programme is a respectable one in size and effectiveness. But we have a lot of urgent questions to answer about our aid. Should we concentrate more of it in certain countries or in certain sectors of development? What should be the relative emphasis on grants and loans of various kinds and on trade concessions? As a middle power, are there special things Canada can do better than other countries? To what extent should we pool our efforts with those of other contributors? As development assistance becomes an increasingly important part of our international activities, questions like these become much more critical.

One new dimension that has been added to Canadian activities in the world in recent years is that of the active projection abroad of the bilingual and bicultural aspects of our nationhood. French-speaking Canadians now urgently seek to play a role in national and international affairs more in keeping with their weight in the Canadian population. The signing of the France-Canada Cultural Agreement in 1965 marked a major step in a conscious effort to represent the "French fact" in Canada more adequately in our external relations. As I have mentioned, for historical reasons we found ourselves fairly closely associated with the newly-independent members of the Commonwealth in Africa and Asia. We were slower to develop comparable ties with the newly-independent francophone countries, but we are now rapidly expanding these relations. A proper reflection in foreign policy of our bicultural character is vitally important in strengthening the unity of our Canadian nation. It is also an opportunity for Canada to play a greater role in the world,

An area in which our foreign policy has been unbalanced in the past is in the American hemisphere. Beyond the United States, we have been somewhat tardy in developing an active collaboration with the countries of the Caribbean, and even slower to seek out closer relations with the nations of Latin America. We should frankly admit that there has been a neglect of that part of the world in the thinking of most Canadians and seek to rectify that omission.

So, too, in our relations with the nations that border the Pacific Ocean. The imbalance in that respect, however, is not exactly a case of neglect. On the contrary, the western part of Canada, and especially British Columbia, has long had active trading and other relations with Eastern Asia and the South

Pacific. In recent years, there has been a particularly great increase in our commercial exchanges with Japan. But this has been largely the reflection of a regional interest on the part of those areas of Canada which naturally look outward to the Pacific rather than to the Atlantic. What is now required is that we pay continuous attention to the Pacific, as well as to the Atlantic, as an area of national interest to all Canadians.

One important step that Canada could take in the Pacific is to exchange diplomatic representatives with the authorities in Peking. We and the rest of the world need to open all possible channels of communication with the government which is in effective control of China. That is why we have recently made the initial contact with representatives of the People's Republic of China to explore the matter of recognition and exchange of embassies.

Going beyond all of Canada's regional or functional interests is our concern to see the United Nations become a more effective instrument for international co-operation and for the achievement of the Charter goals of peace and security, economic and social justice and individual human rights. The UN is an imperfect organization because it reflects an imperfect world. But it is man's most ambitious effort to reconcile differences in the human condition and harmonize the actions of nations. We must look again at our national goals in the United Nations context and identify the changing circumstances of international life as they affect the functioning of the UN. Then we must decide what changes in Canadian policies or techniques may be required as we make common cause with other countries in the United Nations and its Specialized Agencies.

The task for Canadians, as we review our foreign policies, is, first, to determine our own weaknesses. As a middle power, what economic, military and political resources do we have at our disposal and how can we best employ them in the interests of our own people and of the world community? We must also examine realistically the world around us and the changes that are taking place in it. In the light of those changes, should we concentrate more on one function and less on others, or more on one region and less on another?

I expect that the answers to these questions will result in some shift of emphasis in our international activities and some alteration in the methods by which we carry out those activities.

Because foreign policy is never static, we have already begun to bring about some changes. But I doubt very much that we shall abandon completely any functional or regional activity, and I see no need to do so. We don't need to pull out of Europe in order to develop better relations with Latin America or the Pacific. Participating in collective security arrangements is not incompatible with assistance to developing countries or an active part in disarmament negotiations. We may be only a middle power, but we are a nation with the capacity to undertake a good many varied roles in the world if it is in our national interest to do so. The aim of Canadian foreign policy must be to strike the right balance of effort among those roles that are appropriate to our circumstances as a middle power and to the imperatives of the international situation.



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
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OTTAWA - CANADA

No. 69/4

NATO IN CANADIAN PERSPECTIVE

A Speech by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Canadian Institute of International Affairs Conference, Calgary, March 1, 1969.



Two Canadian Prime Ministers, Mr. St. Laurent and Mr. Pearson, were among the founders and chief architects of NATO. Twenty years later, under a new Prime Minister, Canada is reviewing its foreign and defence policies, and one of the key questions is whether or not Canada should stay in NATO. Within the last few weeks, the British Prime Minister and the German Chancellor, meeting in Bonn, have re-affirmed their full support of the alliance, and the President of the United States, at NATO headquarters in Brussels and in other European capitals, has renewed his country's pledge to stay in Europe and to stay in NATO. General de Gaulle, with all his distrust of what he likes to call "the American hegemony", has kept France in the alliance, maintains two divisions in Germany and, although he has withdrawn his forces from the unified NATO command, fosters the closest liaison between the French and NATO headquarters.

Why, then, is Canada, an outward-looking, internationally-minded country, closely tied by history, geography and national interest to the United States and Western Europe, the one country currently conducting a fundamental review of its role in the NATO alliance? First let me make clear that the review has not been undertaken for reasons of narrow domestic self-interest. Canada is very far from being a self-contained economy, our standard of living and our very ability to survive depend on a world-wide pattern of foreign trade. No nation in this position can turn inward upon itself and ignore its international responsibilities. To live and to grow, Canada needs a stable and prosperous world.

Regardless of any review, the whole thrust of Canada's foreign policy is directed toward the twin objectives of world order and world prosperity. This means that, for its own self-interest and its own self-respect, Canada must make its proper contribution to the maintenance of world peace and the raising of the world standard of living. These are political objectives and are pursued in the United Nations and NATO, by means of other groupings such as the Commonwealth and the newly-founded Francophonie, and bilaterally with the nations of the world.

The pursuit of these political objectives involves military activity, which for Canada is not and cannot be a matter of national ambition but, rather, a contribution to keeping world peace, and foreign aid as a contribution to raising the standard of living in less-developed countries.

The purpose of the current review of foreign and defence policy is not to question whether Canada should be engaged in political activity, keeping the peace and foreign aid. And it is not to question the value of NATO as such, for NATO is going to continue for some time to come with the support of its European members and the United States, no matter what we do.

The review of our foreign and defence policies is designed to find out if we are serving our own interests best and making our most effective contribution to world order and world prosperity under our present arrangements. If not, these arrangements will be changed. Coming to NATO, the questions the review asks are the same: is membership in NATO in Canada's national interest? does membership in NATO represent an effective Canadian contribution to the maintenance of world peace?

I can't answer these questions for you today, since the Government has not yet arrived at any conclusion. I can, however, discuss with you the background against which the decision will be made and some of the considerations that will bear upon it.

The late forties was a critical period for the Western world. Wartime co-operation between the Western allies and the Soviet Union had disappeared. In three years, the U.S.S.R. had established political domination over five Eastern European countries and part of Germany, together making up a population of about 100 million. The final takeover of Czechoslovakia also saw growing Soviet pressure on such countries as Finland, Turkey and Iran, and the blockade of Berlin. Canada, having seen two world wars explode out of European quarrels, saw yet another explosive situation developing.

Western Europe, weakened by war, feared both aggression from the powerful military forces maintained by the Soviet Union and Moscow-directed internal Communist subversion.

The democracies of Western Europe had to find a way to protect themselves and the way of life they represented. Hopes that the United Nations might be able to provide such protection through universal collective security had soon been dispelled - in part by the indiscriminate Soviet use of the veto. This was the background against which NATO came into being, a pooling of resources by like-minded nations to protect a common way of life.

While the immediate threat which led to the establishment of NATO was to the Western European democracies, it was seen in Canada and the United States as directly affecting North American security. The lesson of two world wars had been learned, and we accepted that we could hardly remain uninvolved if a third such war should break out. At the same time, however, Canada shared the general feeling that it is possible to benefit by past mistakes; that, by taking the right action at the right time, it should be possible to prevent a war rather than have to fight it. Gradually, it came to be accepted that the effective action which was required could only be

achieved on a collective basis. Mr. St. Laurent was the first Western statesman to express this conclusion, when he said on July 11, 1948: "We believe that it must be made clear to the rulers of the totalitarian Communist states that, if they attempt by direct or indirect aggression to extend their police states beyond their present bounds by subduing any more free nations, they will not succeed unless they can overcome us all."

All this was 20 years ago, and perhaps the most telling answer to the question of whether NATO has been worthwhile is to be found in the simple fact that since its establishment no further European countries have fallen under Soviet domination - either through direct military intervention or by subversion. The nations of Western Europe have grown and prospered. In a period marked by violence and conflict in other parts of the world, Europe has enjoyed a unique degree of stability. NATO's success is often taken for granted these days, but this fact should not be allowed to detract from its achievements. Paradoxically, it is the fact of NATO's success that permits the luxury of questioning the need for it. I am often asked how one can be sure that the 20 years of peace Europe has enjoyed are due to the existence of NATO. I suppose in the end there is no substantive proof, but I can tell you this. The question is one which is easily asked in Calgary, 6,000 miles from the Iron Curtain. But it is a question that simply is not asked by those who live their daily lives in the shadow of massive Soviet forces.

NATO is unique in the sense that it is the only example of a formal alliance that operates effectively in peace-time. Fifteen countries, despite their inevitable conflicts in national interest, have been able to continue to co-operate for two decades. This is a major accomplishment, and something to celebrate. It also bears on the contention that the members of NATO have not, in fact, faced a real threat from the Soviet Union - that the danger they see is imaginary. If 15 independent states have been prepared to make the effort required to maintain an effective alliance arrangement for 20 years, there must be a commonly perceived danger to which they consider a collective response the best answer. The danger is quite clear. The Soviet Union continues to increase and streamline its enormous military potential; its intentions remain uncertain; and there are unsolved problems in Europe which could ignite a nuclear war because they involve the vital interests of the super-powers. Canada cannot remain indifferent to this danger.

To deal with this situation, NATO had developed features which distinguish it from old-time alliances and make it a uniquely modern instrument of collective security:

First, it provides effective defence on a relatively economical basis. By a pooling of resources under a unified command rather than reliance on individual effort, the members of the alliance help to ensure that in times of crisis or actual conflict there will be a quick and effective response. In an age of split-second timing and enormously complex and expensive weapons systems, the security which NATO provides to its members could not be attained in any other way.

Secondly, NATO is the instrument whereby the protection afforded by the United States nuclear deterrent is extended to Europe. By co-operating with the United States in continental defence, Canada contributes to the overall deterrent strength of the alliance.

Thirdly, because the member countries can depend on United States nuclear protection, they do not have to produce or acquire independent control of nuclear weapons. By helping to limit the spread of these weapons, NATO contributes to the idea of "non-proliferation" and at the same time, within the alliance, helps to reduce the possibility of nuclear war occurring by accident or miscalculation.

Fourthly, NATO enables West Germany to make an effective contribution to the defence of the West. Germany has the largest single military establishment in Western Europe, but all of its forces are integrated into NATO and responsible to NATO commanders. Germany has no general staff of its own and no forces available to German commanders outside NATO. Because of the nuclear protection which Germany receives through the alliance, it has been prepared formally to renounce the right to manufacture nuclear weapons on its own territory. This was done in 1954 when Germany entered NATO.

Finally, one of the most important characteristics of the NATO system is its provision of machinery for continuing consultation on military and political issues. This arrangement gives smaller members of the alliance like Canada a chance to participate in the making of policy on a wide range of major issues of concern to us that we would not have in any other circumstances. But is this participation effective? It is often assumed that, when lesser powers sit down with a super-power, all they can do is listen and agree. There are two super-powers in the world today, and they are very different. The U.S.S.R. operates in secrecy and by stealth, without much, if any, regard for the wishes and views of its allies. The United States, on the other hand, is an open society with a government that must win elections to achieve and maintain power. While it may be in a position to dominate the alliance, by its own choice it proceeds by consent and is susceptible to many-faceted influences from within and without its borders.

While NATO brings important advantages to its members, the alliance approach also involves both military and political obligations. On the military side, in addition to the guarantee of mutual assistance under the Treaty, there is an implicit understanding that each member will make an appropriate contribution to the overall military resources of the alliance. In the political sphere, just as there is an opportunity to advance ideas and influence the actions of others in the alliance, so there is a requirement to take views and interests of others into account. NATO operates by consensus and there is an expectation that, except in special circumstances, agreement will be reached.

One of the criticisms sometimes directed against NATO is that, besides placing these constraints on the freedom of action of individual members, it is a conservative bureaucracy, tending to perpetuate itself and unable to adjust effectively to changing circumstances.

In an organization made up of 15 governments, there can at times be some difficulty and delay in co-ordinating views. At the same time, to the

extent that there is a braking influence, it can have a positive value in restraining a member country from taking precipitate action which could have an adverse effect on the alliance as a whole. When one is dealing with issues of war and peace (and particularly nuclear war), this could be vital. Secondly, while progress toward political solutions may appear slow when approached on a collective basis, otherwise there might well be no progress at all.

NATO, like any large and complex organization, has its imperfections. For each member the question is simple - do the advantages of belonging to NATO outweigh the disadvantages? Unlike the members of the Warsaw Pact, the members of NATO are free to withdraw if they should wish, but the fact that after 20 years none of them has so far chosen to do so suggests clearly where the balance of advantage or disadvantage lies.

Looking at NATO in today's world, we must ask ourselves: What is its role in the immediate future and where does Canada fit in?

It seems to me that a durable solution to the problems which continue to plague Europe and threaten world peace must contain two elements: a lasting settlement, on a generally acceptable basis, of the political issues of Central Europe, including the division of Germany; and the creation of some type of European security arrangement which would adequately meet the needs of all the countries concerned, both East and West.

The issues involved are complex and this goal will not be achieved quickly or easily. If any progress is to be made, there must be some mechanism to keep the peace and at the same time contribute to the creation of a climate in which movement toward a durable solution is possible. Does NATO satisfy these dual requirements?

NATO's main emphasis in the early years was on providing a defensive shield against possible Soviet aggression in Western Europe. This continues to be a fundamental purpose of the alliance, but the emphasis is shifting as Europe's political and military circumstances change. The alliance is now devoting its energies and attention to the twin objectives of deterrence, which is the prevention of war, and of détente, which is concerned with improving relations between the Eastern and Western nations.

The objective of deterrence is to prevent war. To do this, the Alliance must try to maintain a situation in which Soviet military adventure is obviously unrewarding and the likelihood of war breaking out in Europe is minimized. At the same time, if a conflict should occur, NATO must have the ability to respond effectively and prevent escalation to all-out nuclear war.

To achieve these objectives, NATO has developed the capacity for "flexible response". This requires NATO to have available enough military forces, both conventional and nuclear, to convince the Soviet Union that any type of armed attack on its part would be unprofitable. Above all, the strategy of flexible response attempts to avoid a situation in which NATO would be faced with the stark choice of yielding to a conventional attack or resorting to nuclear war. It is also designed to contain an incident started by accident or miscalculation long enough to make a political solution possible without resort to tactical or strategic nuclear weapons. In such a situation, days or even hours could be crucial. This is why NATO is correctly described as a peacekeeping force.

Détente calls for continuing attempts by members of the alliance - both individually and collectively - to improve relations with the states of Eastern Europe, including the Soviet Union. Obviously, this policy depends on some reciprocation from the other side. The aim is to reduce tensions and replace them with an atmosphere of confidence and stability. In such an environment, it is hoped that both sides would be able to develop and respond to initiatives designed to produce durable solutions that would make the existence of armed blocs unnecessary. In this sense, NATO's avowed objective is to create circumstances in which the alliance would become redundant.

The pursuit of détente will be a slow process, probably bedevilled by setbacks such as that which occurred in Czechoslovakia last year. Its success will be the sum total of the various individual and collective activities of the members of the alliance. Much of the progress will necessarily have to be made through bilateral relations between individual NATO members and members of the Warsaw Pact. In this process NATO has an important function to perform in providing the machinery for co-ordinating the activities of its members. What one does could have important implications for the others, and close consultation is therefore essential. There is also scope for collective initiatives and the alliance is already at work in this area. A specific example of such a collective initiative now being examined in NATO is the proposal for balanced force reductions. This calls for negotiations between NATO and the Warsaw Pact, designed to achieve agreement on the progressive lowering of military forces on both sides. The relative balance of military strength in Europe, which now permits a reasonable degree of stability, would be maintained at progressively lower levels. Early last summer, NATO proposed to the Warsaw Pact that discussions on this idea be initiated and, although the events in Czechoslovakia intervened, the matter has not been dropped.

Whatever Canada may decide, the alliance will continue to be the mechanism through which peace in Europe is maintained and decisions are taken on the issues affecting the evolution of East-West relations and the solution of European political problems. We must decide if these matters are of real concern to us and, if so, whether we have a better chance of influencing them in a favourable direction through continued membership in the alliance or by withdrawing.

I appreciate that there are differing points of view as to the importance of developments in Europe for Canada and our ability to influence them. Because of this, I think the open debate we are having is highly desirable. For my part, I cannot escape the conclusion that what happens in Europe matters very much to Canada. Our interests there cover many areas - history, culture, trade and finance, to mention only a few. Perhaps the most fundamental of all, however, relates to the fact that it is in Europe that the vital interests of the super-powers are in starkest confrontation, so that there is the greatest chance of a conflict escalating into a nuclear war. Because of Canada's geographic position between the two super-powers, this war would be fought out above our very heads. This is why Canada has a direct, selfish interest in the prevention of war.

I am not suggesting here that we ignore our interests in other parts of the world, but simply that, in terms of priority, Europe and developments there must continue to have a major claim on our energy and attention for some time to come.

Last summer's events in Czechoslovakia illustrated dramatically the determination of the Soviet Union to maintain its grip on Eastern Europe. It is difficult to accept, however, that the urge for greater freedom and a better way of life now manifesting itself on the other side of the Iron Curtain can be indefinitely suppressed, even through the brutal use of force. With all the uncertainties inherent in this situation, the period ahead seems to call for a combination of vigilance and perception. Vigilance is needed to cope with the consequences for the West of further difficulties such as Czechoslovakia; perception, to discern opportunities that the inevitable process of change in Eastern Europe might provide to make progress on Europe's political problems.

Will Canadian interests in the future best be served through continued Canadian membership in NATO? One of the major concerns in our review of defence policy and related foreign policy considerations has been to establish whether there are, in fact, any better alternatives to NATO for Canada. We are examining this problem ourselves, we are seeking the views of other informed observers and taking account of the opinions we have received from the public at large. At the same time, a Parliamentary committee is conducting its own review of many of the issues.

If we should decide that it is in our interest to remain in NATO, it will be necessary to take account of the responsibilities as well as the benefits that go with such a policy. I mention this because there have been suggestions recently that, by withdrawing from the alliance or maintaining only nominal membership, Canada could have most of the benefits the system provides without paying for them. I doubt that this approach would appeal to many Canadians or that the benefits would in fact flow so readily. This is not to say that a decision to stay in NATO would mean that we stay for another 20 years, or that our military contribution will remain the same.

Governments are often accused of losing touch with the wishes and aspirations of the people, and the Government of Canada has heard such accusations often enough. But there is one issue on which the Government and the people of Canada stand four-square together - the paramount determination to do our part to prevent war. If Canada decides to stay in NATO, it will be because we are convinced that in NATO we can effectively help to prevent war. If some other course is taken, it will be because we think such a course will better enable us to help to prevent war. No other consideration, however seductive it may appear, will be permitted to deflect Canada from its supreme objective, the prevention of war.

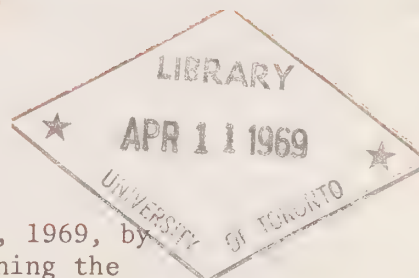
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CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/5

THE ROLE OF THE COMMONWEALTH

Report to the House of Commons on January 20, 1969, by
Prime Minister Pierre Elliott Trudeau concerning the
Conference of Commonwealth Prime Ministers recently concluded.

This was the sixteenth of these meetings since the Second World War. The 28 members of the Commonwealth represented at the Conference made it the largest by far of any of the Commonwealth meetings held to date. Twenty-four of the 28 states were represented by heads of government - either prime ministers or presidents - and this, according to the calculation of the chairman, was one of the biggest meetings of heads of government anywhere since the 1945 San Francisco Conference.

This is perhaps the greatest strength of the Commonwealth, this opportunity on a regular basis for men of goodwill to sit down together and discuss one with another the problems which affect them and the 850 million people whom they represent. All the other advantages of the Commonwealth relation - the exchanges of people, the trading patterns, the economic assistance and co-operation schemes, the informality of diplomatic representation - assume their tone from the free and frank dialogue which takes place at the prime ministerial meetings.

It is difficult for me as a newcomer to these meetings to compare this latest Conference with those that have preceded it in recent years. My impression is that this meeting was not only successful as Commonwealth meetings go but significantly so. Indeed, this Conference may have marked some kind of watershed for the Commonwealth. For one thing, the Commonwealth is now close to its maximum size, and future meetings will not note the presence of many new members. For another, the scope of the Secretariat seems now to have been defined and its services identified. But most important (and here I rely not simply on my own observations but on the comments of several veteran heads of government), the Commonwealth meeting appears to have attained a new plateau of maturity. Those who anticipated dramatic events at this meeting were incorrect; those who forecast an emotional confrontation over racial issues have been proved wrong. Equally, of course, those who hoped for the emergence of some brilliant answers to vexing questions were disappointed.

What did emerge was a realization by all leaders present that there was great value in open discussion and in an exchange of opinions. It was obvious, for example, that an easy solution for the complex problem of Rhodesia simply did not exist. This being so, no advantage was to be gained from a prolonged and emotionally charged argument alleging breaches of faith or lack

of understanding. Instead, the observations and the admonitions of the several prime ministers and presidents were made and recorded and the meeting moved on to the next item on the agenda. I do not mean to leave the impression that the Rhodesian question was not adequately discussed, or that the Conference did no more than touch it in passing. Quite the contrary. The case of Rhodesia's African neighbours and those who supported them was argued with great vigour and skill; nothing material was omitted in order to avoid hurting the feelings of others; there was no hypocritical attempt to pretend they did not exist. The Rhodesian debate was honest and it was tough, yet at its conclusion something of considerable significance occurred.

After looking at the problem in its exact dimensions, after closing in on its many difficulties, men holding opposite views admitted that the true nature of the difficulties was now better understood than before and they noted in some instances, after listening to the comments of others, that their rigid attitudes were capable of some modification. Of most importance, however, honourable men agreed honourably to disagree.

There is little headline material in this kind of decision; neither is there much domestic political advantage for individual leaders. But to a world burdened almost beyond endurance by incredibly complex problems of immense moment, an agreement to disagree and to search patiently for solutions and areas of agreement is of immeasurable value. Delegates can walk out of meetings in anger, but they cannot remove with them the underlying cause of their annoyance. Organizations can be broken apart by impatient members, but the act of disintegration contributes nothing to the easing of the original tensions.

The Conference revealed in still another way the coming of age of the Commonwealth. For if the African states did not insist that the meeting preoccupy itself exclusively with Rhodesia, neither did the Asian or Caribbean states view the meeting simply as an arena within which to press their own demands for economic assistance. And, in my view, as important as either of these events, none of the white countries attempted to dominate the proceedings on the pretext that their economic development, their political experience or their longer independence gave them any superior wisdom in the solution of new problems. One sensed that at this meeting the participants were equal members; no one pretended to possess all the problems, no one claimed to have all the answers. The 88 contributions to the debates on the five agenda items were remarkably evenly distributed around the conference table.

There is a well-known tradition at Commonwealth Conferences which denies to members the right to discuss, without consent, matters affecting the domestic policies of another member, or matters of solely bilateral interest. It is this rule which prevents the meeting being employed as a forum to the particular advantage, or disadvantage, of any single country. It is this rule as well which encourages the participation in general debate of all 28 member states. There is little doubt that, in the long run, the rule is a wise one. In the short run, it does present a challenge to countries seeking to discuss a problem which, because of its very size, seems to them to be of international, rather than of domestic, implications. At this meeting the Nigerian civil war fell into this category.

The tragedy of Nigeria was mentioned at the Conference by Prime Minister Wilson in his opening remarks on the first day. It was the subject of considerable corridor talk and out-of-conference discussion. Though not on the agenda, it was regarded by most delegations - and not least the Nigerian delegation - as of extreme importance.

On Wednesday of last week, at a gathering of heads of government outside the Conference proper, which I attended, the leader of the Nigerian delegation agreed on behalf of his Government to enter into fresh talks in London with the rebel representatives, without any pre-conditions to be attached to those talks. He agreed as well that it would be in order for other Commonwealth governments to do what they could to urge the Biafrans to engage in talks on this basis. Before we left London, Canadian officials met with Biafran representatives in an attempt to persuade them to do just that. I am deeply disappointed that that attempt was unsuccessful, as were, we understand, the representations of other delegations and of the Secretary-General.

I mentioned a few moments ago that the role and scope of the Commonwealth Secretariat were defined, with more precision than heretofore, at this Conference. The general view as expressed was that the Secretariat has an important role to play, but that the Commonwealth should not become over-structured. If I may repeat what I said in London at the Conference:

"As the Commonwealth grows in number of members, it increases in diversity. The common ingredients, which were once the adhesive of membership, are now outnumbered by the unique institutions and practices of so many of the members. Nor - wisely in my view - have any steps been taken to create some artificial adhesive or binder. There is no charter, no constitution, no headquarters building, no flag, no continuing executive framework. Apart from the Secretariat, which is a fraction of the size one might expect for an organization which encompasses a quarter of the peoples on this earth, there is nothing about the Commonwealth that one can grasp or point to as evidence of a structure.

"Even the use of the word 'organization' creates an impression of a framework which is misleading. The Commonwealth is an organism, not an institution - and this fact gives promise not only of continued growth and vitality, but of flexibility as well."

If this peculiar characteristic of the Commonwealth offers difficulty, as it seems to do, to historians or journalists or persons from non-Commonwealth countries, it is perhaps unfortunate. But surely this unique source of strength should not be surrendered in the name of conformity to accepted institutional practices. The Commonwealth is not a miniature United Nations; the Conference is not a decision-making body. To attempt to convert it would simply underscore differences of opinion; it would force countries to take sides and to vote against one another. There exist international organizations where this has to be done and where it is done; the Commonwealth is not and should not become a replica of them.

The Commonwealth provides an opportunity for men of goodwill to discuss with one another, both in plenary session and in the many bilateral meetings, their problems and their hopes for the future; to learn from the wisdom and experience of others. The Commonwealth Conference is a forum for men who are as different as God has made them. It is a meeting-place where men are able to demonstrate the advantages of dissimilarity, the richness of diversity, the excitement of variety. Is this not what life is all about, to learn, to share, to benefit, and to come to understand?

I think it is. I think Canadians agree with me, for in our own country we exhibit a multiplicity of character, a diversity of climate, of topography, of resources, of customs, of traditions, of peoples, which is a segment of the wide world beyond. We accept almost instinctively the view that, of the many challenges offered by the twentieth century, none is greater than the aspiration of men to live in societies where tolerance and equality are realities. The Commonwealth is a means toward such a goal. To suggest, as some do, that the Commonwealth must be more than a forum for discussion or a clearing-house for economic assistance from the few rich nations to the many poor ones is to miss the vital point of the exercise.

Is Canada any less strong, and less united in understanding, because Canadians and their leaders engage in constant dialogue, because the wealthier provinces accept the principle of tax equalization? I think not.

So, too, in the broader international community of the Commonwealth. Human inequality is a political fact of great potency. The most effective means of reducing the explosive potential of discrimination is to meet other persons as political equals and to assist them toward economic equality. That is what the Commonwealth does. I believe these are useful exercises. For these reasons, I assured the London Conference that Canada firmly supported the Commonwealth principle....

At the close of the Commonwealth Conference, I went to Rome where, after a most cordial interview at the Quirinal Palace with His Excellency the President of the Italian Republic, Mr. Saragat, I was received at the Vatican by Pope Paul VI.

We spoke of peace in the world, the difficulties of maintaining it, for instance in Vietnam and in Nigeria, and of the importance of promoting it more particularly through the respect of human rights and international aid.

In the course of the conversation, I informed the Holy Father that Canada was considering setting up diplomatic relations with the Vatican. The Pope welcomed the idea, stating that the Vatican would be honoured by such relations. But he added that he would leave it to Canada to decide on taking that initiative.

Pope Paul VI spoke very warmly of Canada, the problems and the tremendous possibilities of which he is well acquainted with. Speaking of our fellow-countrymen, the Holy Father said he was convinced (and I quote): "What unites them is stronger and more important than what divides them."

And, speaking of the great cause of peace in the world, he added: "Your country, Mr. Prime Minister, is basically a pacifist country, and we like to think that it will continue, under your leadership, to bring with authority its precious contribution to so vital a cause to the future of humanity."

After this most cordial interview, I also had the pleasure of conversing with the Prime Minister of the Italian Republic, Mr. Mariano Rumor, and several of his ministers.

Together, we reviewed the international situation. We also talked about the relations between Canada and Italy. In this regard, we noted the real progress that has been accomplished in the last few years, and we expressed the hope that this progress will continue....

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/6

THE RULE OF LAW IN INTERNATIONAL AFFAIRS

Speech by the Honourable Mitchell Sharp,
Secretary of State for External Affairs,
at Osgoode Hall, Toronto, March 4, 1969.

...You will not be surprised to learn that a high proportion of the Canadian delegates and advisers to each session of the United Nations General Assembly are lawyers, and I believe the same is true of all other delegations. The significance of law and legal skill in the work of the United Nations is particularly impressive. It is only a slight exaggeration to say that the development and application of the rule of law, in its widest sense, is what the United Nations is all about.

Over the years substantial progress has been achieved through the United Nations in setting international objectives and standards, particularly with regard to the intrinsic worth and treatment of the human being. We are continually being distressed and disheartened at the vast suffering and loss of life caused by the armed conflicts that plague the international community. But we can take some encouragement from the successful efforts of the United Nations to place the dignity of every man in an incontestable legal context. The Universal Declaration of Human Rights, the 1966 International Covenants and many other similar declarations and agreements on human rights together constitute what amounts to an International Bill of Rights.

Where the United Nations or, more correctly, the international community at large, moves far too slowly is in the development of machinery for enforcement of these rights. Contemporary international law is still bound up with outdated conceptions of national interest, which hinder the effective settlement of disputes by peaceful means. In spite of the lack of international enforcement machinery, however, states do increasingly adhere to the generally recognized principles of international law, particularly those constituting treaty obligations. The vast interlocking network of bilateral and multilateral treaties now in effect represents the progress that has been made toward placing contemporary international relations within a legal framework. A similar advance in compulsory third-party settlement of disputes is, however, still to come.

The vigour and range of United Nations law-making activities are not always fully appreciated. At the present moment, various U N bodies are studying and elaborating legal principles in the following fields: human rights, which I have already referred to; the law of treaties; the definition of aggression;

the seven basic principles of international law in the United Nations Charter, which are euphemistically called "friendly relations"; private international law relating to trade; the sending and receiving of ad hoc special diplomatic missions; and the relations between states and international organizations. As you can see, despite gloomy pronouncements that international law is dead, it is alive and kicking at the United Nations.

For the future, some of the most exciting prospects lie in the application of legal principles to the new frontiers of man's endeavours. It was not so many years ago that the discovery and study of Antarctica had turned the world's southernmost continent into a source of international friction and controversy, brought on by competing territorial claims. The Antarctica Treaty of 1959 converted this area into one of peaceful co-operation. Now we are concerned with the exploration and use of outer space; and tomorrow it will likely be the sea-bed and ocean-floor.

The orbiting of the first Soviet Sputnik in 1957 heralded the arrival of our space age. Drawing on the Antarctic experience, the General Assembly established a Committee on the Peaceful Uses of Outer Space, which created a Legal Sub-Committee, including Canada, to study "the nature of legal problems which may arise in the carrying out of programmes to explore outer space". Eventually, in 1962, sufficient agreement was achieved to make possible the unanimous adoption by the General Assembly of the "Declaration of Legal Principles Governing the Activities of States in the Exploration and Use of Outer Space". The General Assembly agreed also that the substance of the Declaration should form the basis of a treaty on outer space. Some states voluntarily declared that they would abide by the legal principles contained in the Declaration. As the United States Ambassador, Adlai Stevenson, said: "We believe these legal principles reflect international law as it is accepted by the members of the United Nations. The United States, for its part, intends to respect these principles." The Soviet representative, Mr. Fedorenko, replied that: "The Soviet Union, for its part, will also respect the principles." Thus, by unanimous declaration, the United Nations succeeded in making new international law. Canada played an active role in the embodiment of these declared principles into the Outer Space Treaty of 1967.

The Treaty confirms that the exploration and use of outer space shall be for the benefit of all countries, irrespective of the degree of their economic or scientific development. It proclaims the complete freedom of outer space and its use without discrimination of any kind. It affirms that outer space and celestial bodies, including the moon, are not subject to national appropriation and that they shall be used exclusively for peaceful purposes. It prohibits the stationing in space or on celestial bodies of nuclear weapons and other kinds of weapons of mass destruction. It also extends the provisions of international law to activities conducted in outer space and on celestial bodies. It is immensely encouraging that our fractious world community has found the wisdom to establish an orderly regime for an area which could well have become a major source of international discord.

The United Nations and its Outer Space Committee are continuing to elaborate the law of outer space. An agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space came into force in December last year. It balances the interests of those

states launching and recovering astronauts and space objects with the sovereign rights of states on whose territory search and rescue operations may be conducted. But its overriding concern is for the safety and prompt return of the "envoy of mankind" - the astronaut.

The next task for the Outer Space Legal Sub-Committee is to draft an agreement on liability for damage caused by objects launched into outer space. Given the dramatic increase in the number and size of space objects launched each year, it is inevitable that accidents will one day occur in which damage will be caused on earth. International lawyers are seeking to prepare for this much in the same manner as they did when aeroplanes were first introduced.

Canada is now taking a leading part in the United Nations study of the technical feasibility and related implications of one of the newest developments in space technology - direct broadcasting from satellites, beaming television programmes from one country straight into the homes of another. Satellites are of great interest to Canada, as it is our intention to establish our own domestic satellite communications system. So we collaborated with Sweden in encouraging the establishment of a special United Nations working group to study the subject and in presenting to this group a joint paper. The Swedish-Canadian paper discussed such legal problems as equitable access to the communications and other systems, preventing libel and slander, and protecting copyrights. These are matters on which there are few, if any, existing international legal rules. There will be a great need for the protection of public and private interests, and hence for more international agreements, as this field of technology opens up. These are only some of the legal consequences of this tremendous development which will have profound and far-reaching social and political effects.

The law of outer space is developing very quickly, in an orderly and deliberate manner, despite deep ideological divergences. Development of this kind illustrates the way international law evolves by the gradual codification of rules which are perceived by states to be in their common interests. It also shows the value of the United Nations as a multilateral forum for the codification of international law.

The United Nations is now turning to the development of a new legal regime for the sea-bed and ocean-floor in areas beyond the limits of national jurisdiction.

Man has long used the sea for transport and he has always taken from the sea an important part of his food supply. These traditional uses of the sea have inevitably given rise to conflict - and to the law of the sea. In the development of that law, two conceptions have contended: first, the conception of the closed sea under the jurisdiction and control of particular states; second, the conception of the open sea accessible to all nations on an equal basis. From the eighteenth century on, coastal states recognized they could extend their sovereignty over only a narrow belt of the waters round their shores. This "territorial sea" was widely accepted as being three miles in breadth.

Today there is lively and growing interest in the sea and its resources. New types of claim to national jurisdiction are evoking new responses. The law of the sea has entered a period of rapid evolution, rich in promise but also in difficulty.

The United Nations Conferences on the Law of the Sea, at Geneva in 1958 and 1960, left unsettled the breadth of the territorial sea and the limits of fisheries jurisdiction. Canada played a leading role at both conferences and introduced a formula which very nearly provided the basis for a compromise solution. This was the conception of an exclusive fishing-zone, which would preserve freedom of navigation by maintaining a narrow territorial sea, while at the same time allowing states to bring a greater part of their coastal fisheries under their jurisdiction. The fishing-zone conception has since been adopted in the legislation of a large number of countries, including the United States and Canada.

Failure to settle the territorial sea and fishing limits at the Geneva Conferences, however, has left us with national claims varying from three to 200 miles. Seizure of an intelligence ship or arrests of fishing vessels are dramatic - and dangerous - illustrations of the pressing need for international agreement on these questions.

But it is not the traditional uses of the sea which have brought about the greatest change in national attitudes. Advancing technology has made it profitable to mine the sea, to tap its mineral deposits and exploit its other resources at far greater depths and distances from the shore.

The Convention on the Continental Shelf adopted in 1958 grants sovereign rights to coastal states for the exploration and exploitation of the natural resources of the continental shelf. These rights do not affect the status of the waters above the shelf, which remain high seas open to navigation and fishing by other states. But the exploitation of the continental shelf may eventually affect freedom of navigation and the present limited jurisdiction might well be slowly extended to cover the waters above the shelf.

Unfortunately, the Continental Shelf Convention has two major deficiencies. It defines the continental shelf as beginning, in the legal sense, where the territorial sea ends, and this element will remain imprecise until there is international agreement on the breadth of the territorial sea. It defines the outer limits of the continental shelf as the point where the waters reach a depth of 200 metres or, beyond that point, where the depth of water permits exploitation of the underlying resources. By this inclusion of the "exploitability test" the legal definition of the continental shelf is a highly elastic one. An extreme interpretation of the Convention could easily lead to national confrontations and perhaps to a new sort of imperialism in the oceans.

It was against this background, in 1967, that Malta introduced before the United Nations General Assembly a proposal the implications of which, in the legal, political, economic and military fields, are so far reaching that they will be the subject of intense study and debate for a long time to come.

The Maltese proposal called for the United Nations to undertake the "examination of the question of the reservation exclusively for peaceful purposes of the sea-bed and ocean-floor and the subsoil thereof, underlying the high seas beyond the limits of present national jurisdiction, and the use of their resources in the interests of mankind".

Canada was among the 35 countries on the original Committee set up by the General Assembly in 1967 to conduct this examination. We are also

represented on the new 42-member Standing Committee on the Sea-bed, formed last October to continue the work.

Only a limited consensus has so far been reached on the sea-bed question. It is generally accepted that there is an area of the sea-bed beyond the present limits of national jurisdiction; that this area should be reserved for peaceful purposes; and that its resources should be used in the interests of mankind. However, these principles only point up the difficulties involved in reaching further agreement.

On the question of the limits of national jurisdiction, the basic Canadian position has been that the continental shelf is a legal conception based on geographical and geological realities, and that these realities should be taken into account in defining the limits of national jurisdiction. On the legal rules which should govern the area of the sea-bed beyond national jurisdiction, we have argued that it is much too early to take a definitive stand. We are prepared to accept for the present, however, the widely shared view that the rules governing this area should prevent any form of national appropriation.

The principle that the resources of the sea-bed beyond the limits of national jurisdiction should be used in the interests of mankind obviously bears directly on the nature of the legal rules to be elaborated for this area. The U N resolution creating the Standing Committee on the Sea-bed qualifies this principle by referring to "the benefit of mankind as a whole, taking into account the special interests and needs of the developing countries". Does this mean that some part of the revenues from exploitation of the internationalized area of the sea-bed should be turned over to the United Nations for development aid and similar purposes? What would be the consequences of giving the United Nations this sort of independent income? How would such a scheme provide for a sufficient return from the investments required for the exploitation of the sea-bed? For the time being, the questions are more numerous than the answers.

All these questions will be studied by the Standing Committee on the Sea-bed. Deliberations on the reservation of the internationalized area of the sea-bed for exclusively peaceful purposes will also have to take place in the Eighteen-Nation Disarmament Committee.

As a country with one of the world's longest coast-lines and with a continental shelf roughly equal to 40 per cent of its land area, Canada can understand and share the enthusiasm which has been generated by the Maltese item, particularly among the developing countries. Ocean space is man's last earthly frontier and we are anxious to join in the effort to isolate it from the arms race, to exploit it in an orderly and co-operative fashion, and to dedicate some part of its wealth to reducing the alarming gap between the rich and the poor nations of the world.

These examples of the progressive application of international law and legal skills to important problems confronting the world community as represented in the United Nations show that international law is far more than an instrument for the prevention of war. It is also a necessary instrument for the elimination of discrimination, for the protection of human rights, for the education of the ignorant and for relieving the oppressed. At the United

Nations it continually fosters, in a realistic manner, the creative values which nations and peoples seek to fulfil domestically.

This is a field of international activity in which Canadians can make an invaluable contribution to the future of mankind if we are imaginative and diligent. I hope some of you will apply your talents to this endeavour.

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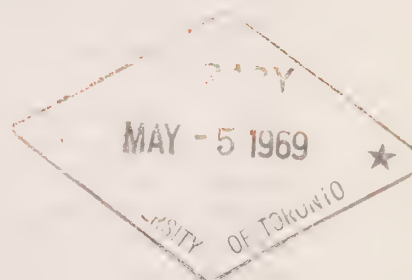
STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/7

A DEFENCE POLICY FOR CANADA

Statement to the Press by Prime Minister
Pierre Elliott Trudeau on April 3, 1969.



A Canadian defence policy, employing in an effective fashion the highly skilled and professional Canadian Armed Forces, will contribute to the maintenance of world peace. It will also add to our own sense of purpose as a nation and give renewed enthusiasm and a feeling of direction to the members of the armed forces. It will provide the key to the flexible employment of Canadian forces in a way which will permit them to make their best contribution in accordance with Canada's particular needs and requirements.

The Government has rejected any suggestion that Canada assume a non-aligned or neutral role in world affairs. Such an option would have meant the withdrawal by Canada from its present alliances and the termination of all co-operative military arrangements with other countries. We have decided in this fashion because we think it necessary and wise to continue to participate in an appropriate way in collective security arrangements with other states in the interests of Canada's national security and in defence of the values we share with our friends.

Canada requires armed forces within Canada in order to carry out a wide range of activities involving the defence of the country, and also supplementing the civil authorities and contributing to national development. Properly equipped and deployed, our forces will provide an effective multi-purpose maritime coastal shield and they will carry out operations necessary for the defence of North American airspace in co-operation with the United States. Abroad, our forces will be capable of playing important roles in collective security and in peace-keeping activities.

The structure, equipment and training of our forces must be compatible with these roles, and it is the intention of the Government that they shall be. Our eventual forces will be highly mobile and will be the best-equipped and best-trained forces of their kind in the world.

The precise military role which we shall endeavour to assume in these collective arrangements will be a matter for discussion and consultation with our allies, and will depend in part on the role assigned to Canadian forces in the surveillance of our own territory and coast-lines in the interests of protecting our own sovereignty. As a responsible member of the international community, it is our desire to have forces available for peacekeeping roles as well as for participation in defensive alliances.

Canada is a partner in two collective defence arrangements, which, though distinct, are complementary. These are the North Atlantic Treaty Organization and the North American Air Defence Command. For 20 years NATO has contributed to the maintenance of world peace through its stabilizing influence in Europe. NATO continues to contribute to peace by reducing the likelihood of a major conflict breaking out in Europe, where, because the vital interests of the two major powers are involved, any outbreak of hostilities could easily escalate into a war of world proportions. At the same time, it is the declared aim of NATO to foster improvements in East-West relations.

NATO itself is continuously reassessing the role it plays in the light of changing world conditions. Perhaps the major development affecting NATO in Europe since the Organization was founded is the magnificent recovery of the economic strength of Western Europe. There has been a very great change in the ability of European countries themselves to provide necessary conventional defence forces and armaments to be deployed by the alliance in Europe.

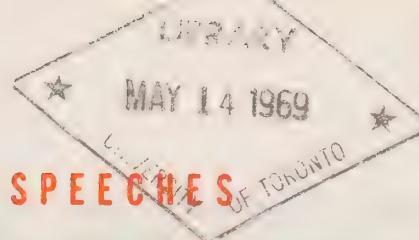
It was, therefore, in our view entirely appropriate for Canada to review and re-examine the necessity in present circumstances for maintaining Canadian forces in Western Europe. Canadian forces are now committed to NATO until the end of the present year. The Canadian force commitment for deployment with NATO in Europe beyond this period will be discussed with our allies at the meeting of the Defence Planning Committee of NATO in May. The Canadian Government intends, in consultation with Canada's allies, to take early steps to bring about a planned and phased reduction of the size of the Canadian forces in Europe.

We intend, as well, to continue to co-operate effectively with the United States in the defence of North America. We shall, accordingly, seek early occasions for detailed discussions with the United States Government of the whole range of problems involved in our mutual co-operation in defence matters on this continent. To the extent that it is feasible, we shall endeavour to have those activities within Canada which are essential to North American defence performed by Canadian forces.

In summary, Canada will continue to be a member of the North Atlantic Treaty Organization and to co-operate closely with the United States within NORAD and in other ways in defensive arrangements. We shall maintain appropriate defence forces, which will be designed to undertake the following roles:

- (a) the surveillance of our own territory and coast-lines - i.e., the protection of our sovereignty;
- (b) the defence of North America in co-operation with United States forces;
- (c) the fulfilment of such NATO commitments as may be agreed upon; and
- (d) the performance of such international peacekeeping roles as we may, from time to time, assume.

The kind of forces and armaments most suitable for these roles is now being assessed in greater detail in preparation for discussion with our allies.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/8

THE RELATION OF DEFENCE POLICY TO FOREIGN POLICY

Excerpts from an address by Prime Minister Trudeau to a
Dinner of the Alberta Liberal Association, Calgary,
April 12, 1969.

... Our decisions of last week in the area of foreign policy, in the area of our defence policy and the announcement we made about NATO... are very important and very far-reaching. They are far-reaching in terms of time and in terms of space. In terms of time because, when you make a decision to reorient your foreign policy, it will last for quite a while. Our last reorientation lasted, I suppose, a generation. It is important in terms of space, too. In Canada, the foreign policy we shall embark upon will concern every Canadian, rich or poor, Easterner or Westerner. It will concern our allies in all parts of the world, our friends, those who believe in the same principles as we do.

Our foreign policy, the one we are defining for Canada, is also very important for another reason. Our defence budget as you know is one-sixth of the total budget. That's a lot of money - \$1,800 million for defence. And it's a lot of money especially when you realize that it's accompanied by a great deal of uncertainty on the part of Canadians. There is a tendency in the past few years, when more money is needed for housing or more money is needed for anti-pollution schemes or more money is needed for social welfare legislation, for every form of expenditure in Canada (a project here, a research grant there), on the part of individuals, on the part of institutions and on the part of provincial governments, to say to the Federal Government "Spend less on defence, you'll have more for this other worthwhile project" -- whether it be education or health or housing or urban growth. There is a tendency on the part of all Canadians to say "Take it away from defence, you will have more money for the worthwhile things" -- implying, I suppose (and this comes, as I say, from many institutions, and even from provincial governments), that the money we spend on defence is not well spent.

Now this may be so, and if it is so, it is important that we correct it. It is important that we realize that the sixth of our national budget which is spent on defence is not an expenditure which is accepted as justifiable by a significant proportion of the Canadian people -- and even the military themselves. I cut out a clipping on April 8, a Canadian Press story, saying that at least 40 per cent of the graduates of the Canada's military colleges leave the armed forces at their first opportunity -- 40 per cent of all those who are being trained at the taxpayers' expense to become the elite, the cadre, of our armed

forces, leave before they can serve in the armed forces. This means that even in the military themselves there is an implication that our foreign policy and the defence policy that flows from it is not one which convinces them that their career, the military career, is a good one.

Well, what should we do about it? Are we spending too much money or are we spending too little? This is the kind of question we have been asking ourselves in Ottawa, this is the kind of question that during the election, last spring, I said that we should deal with in this Government. And we are doing it now. Our first decision we announced last week, and I want to explain to you the significance of it.

These decisions in the area of foreign policy are extremely important then for these reasons, and they are important also because of the objectives. What we want to do with this \$1,800 million is to defend Canadian sovereignty and to contribute towards world peace. Why else would Canadians want to spend money on defence? We don't want to go to war with anybody. These are the aims then of our foreign policy, to serve our national interests, and when I say national interests I am not thinking in any egotistical sense of just what's happening to Canadians. It's in our national interest to reduce the tensions in the world, tensions which spring from the two-thirds of the world's population who go to bed hungry every night, the two-thirds of the world's population who are poor whereas the other third is rich, and the tensions which spring from this great ideological struggle between the East and the West. This is the aim of our foreign policy; it is to serve our national interest and to express our national identity abroad so that other countries know us. They know what we stand for, they know what our interests are and what our values are, in the economic sphere, in the cultural sphere, in the social sphere, in the ideological sphere. This is what our foreign policy is all about.

And this is what we have been examining in the past several months in Ottawa. And some people think it is taking too long. But it will take longer, because you only re-examine your foreign policy once in a generation. You can't switch every year, you can't switch after every election.

We promised during the last election to re-examine our foreign policy, because the data, because the objective situation, have changed, because the Canadian requirements have changed over the past generation. We're beginning to realize now that we're not a one-ocean country, not an Atlantic country, not even a two-ocean country, an Atlantic and a Pacific. We're a three-ocean country. We're beginning to realize that this Pacific seaboard is more important to Canadians than we realized in the past. We're beginning to realize that countries like Japan, like China, like Australia, and those on the Pacific coast of South America, are as important partners for Canadians as the nations across the Atlantic. And we're beginning to realize that in the Arctic Canadian interests are very great and that there are not only ice and barren lands up there but that there is oil and there are minerals and there is untold wealth.

And we're beginning to realize, too, in the cultural sphere that la francophonie is important and that part of our national identity is having a bilingual country, and that if it is important that we remain in the British Commonwealth of nations it is important also that we express our identity in the French-speaking countries, those that form la francophonie.

And we are realizing too that the strategic factors making for peace or threatening war have changed immensely in a generation, and that the existence of ICBMs which are pre-targeted on all the major European and North American cities and which can spell immediate destruction if they are ever unleashed is a new factor. And that there is a very delicate balance, a balance of deterrent forces, between the two poles of military strength on this planet of today, and this is a new factor.

And we realize that all these factors are "inputs" in our foreign policy, and that we can't go on as we did in the past with the same foreign policy. Before the Second World War, it is said, we practically had no foreign policy, we were too small a country in terms of population and in wealth, and our foreign policy wasn't very different from that of the United States or of the United Kingdom, providing they had the same foreign policy, and when their interests diverged or were divergent, well, we tacked onto one or onto the other. So before the Second World War we didn't have a very distinct foreign policy.

After the Second world War, we were faced with a Europe which was divided into two power blocs, hostile, a Europe which had been impoverished and destroyed by war, and we realized that the tensions in Europe could be the most destructive ones for a lasting peace. And it's at that time that Canada, along with other countries, realizing the principal threat to peace was Soviet aggression, helped set up NATO as an answer to that possibility of aggression. And it's at that time that NATO was developed as a very important policy for peace in the world because Europe at that time, a Europe which had been destroyed, I repeat, by the war, had to be strengthened and had to be fortified against the danger of aggression. And as a result of that, NATO became practically all of our foreign policy. Until then our foreign policy was that of the United States or of the United Kingdom. But since '49 our foreign policy has taken on a new dimension. That was the dimension of NATO, a dimension wherein we could talk to other countries in Europe which had more or less the same values as us but which had the same interest in stopping any possibility of Soviet aggression.

Twenty years later, today, Europe has been rebuilt. The gross national product of the NATO countries in Europe is over \$500 billion. The population, 300 million people. Canada's contribution to this Europe, important though it has been and important though it remains, is marginal -- 20 million people against 300 million. Our defence policy, which flowed from this foreign policy of NATO, now was more to impress our friends than frighten our enemies. Our contribution in Europe which was brought in the early years after the Second World War was very important then; it is marginal now in terms of strict military strength -- one mechanized division against perhaps 80 or 55, depending how you count them. This is our contribution. It is important; I am not trying to belittle it. But we have to remain free to decide our own foreign policy. And when we are told that we shouldn't be taking a free ride to peace in the world, when we are told that if we withdraw from NATO even in any degree this will lead other countries to withdraw from NATO, I don't admit this. I don't admit that Europeans or even Americans won't follow their own wisdom, that they don't have their own foreign policy. And I don't admit that our friends and allies will be guided in their decisions and determined in their actions by what Canadians do, and, if they think we are doing the wrong thing, that they will imitate us just because we have done it. I don't believe this. I believe that each country must have its own foreign policy. And in our case, where our contribution to Europe, I repeat, is marginal, but where we still believe that NATO is an important force in the world, we are entitled, we have a right, to ask questions about our participation in NATO.

In 1949, when we set up NATO, I think it was true that we could not wait for political settlements in order to meet the security issue, because the security issue was the number-one issue. But 20 years later I should be inclined to say that we can't wait until all the problems of security have been settled before we tackle the political issues of peace in the world. And it so happened that NATO after 20 years in our opinion had developed too much into a military alliance and not enough into a political alliance, not enough into an alliance which is interested not only in keeping the balance of deterrence of tactical power in Europe but into an alliance which is interested in arms control and de-escalation.

And I am afraid, in the situation which we had reached, NATO had in reality determined all of our defence policy. We had no defence policy, so to speak, except that of NATO. And our defence policy had determined all of our foreign policy. And we had no foreign policy of any importance except that which flowed from NATO. And this is a false perspective for any country. It is a false perspective to have a military alliance determine your foreign policy. It should be your foreign policy which determines your military policy.

So all we have done (and it is pretty important), last week in Ottawa, was to stand the pyramid on its base. It was standing on its head. We have decided to review our foreign policy and to have a defence policy flow from that, and from the defence policy to decide which alliances we want to belong to, and how our defences should be deployed. And that is why we gave a series of four priorities. In our statement last week, we said that the first priority for Canadians was not NATO, important though it is, and we have said that we wanted to remain aligned in NATO with those countries who believe in deterring the Soviet aggression in Europe. But this is not our first priority. Our first priority is the protection of Canadian sovereignty, in all the dimensions that it means.

And I don't accept the criticism of those who say this is a return to isolationism, or this is a return to the "fortress America" conception. This is not our purpose and this is not our aim.

What we are doing in our foreign policy, and what we are doing in our defence policy, we shall do by discussing with our allies, and we shall explain to them that our contribution is in order to promote the values which they are promoting in NATO -- values of freedom and of liberty. And this is what we are aiming for first.

But it is false to talk of isolationism when you think of Canada, which is territorially one of the largest countries in the world, second in terms of its land space, and which has a very small population in terms of the middle and great powers. It is absurd to say that this is isolationism because we are not on all the fronts of the world, political and military, fighting with other people. You can't talk of isolationism of Canadians because, with the small manpower we have, with the economic means we have, we say we want to use the first part of it in terms of our own sovereignty, the second part of it in terms of the defence of our territory and of the continent, and the third part of it in defence of other alliances such as NATO, such as peacekeeping operations which we will embark upon and we have embarked upon through the United Nations. We need our armed forces in order to perform these roles, but in degrees determined by our foreign policy. We don't want a military alliance or a defence policy to pre-empt all our choices.

That is why we decided last week to announce what I call Phase One of our defence policy, saying that we were not neutralists and we were not pacifists, that we believed in aligning ourselves with countries who wanted to protect the same kind of values as we in the world but we wanted to do this by leaving also our military options open to these four priorities. And that is why we shall not say, until our foreign policy has been determined and presented to Parliament and presented to the country, in a final way, what forces we shall put into NATO and what forces we shall draw out of NATO. It is our foreign policy which must come first, and not the defence policy and not the military alliance.

That is why last week, because of the dead-lines, because there was a meeting of the foreign ministers of NATO countries in Washington, we had to then state our general position. And we did. We stated we were remaining in NATO but we would not be pressed into making decisions now about our contributions to NATO, which I repeat we shall only make after our foreign policy has been determined overall. This is going apace. We have made several announcements. We have talked about recognizing Peking; we have talked about our policy in South America; we have even talked about the Vatican, to the scandal of a lot of people. We have talked of a lot of areas where we are reassessing our foreign policy. But until this policy has been presented, I repeat, to the Canadian people, we shall not close our options and say that all of our military strength will be oriented towards NATO.

We have a right to ask questions of our allies. If they want to keep us on these terms we shall be very happy because, our friends in NATO, we want to keep them. We want to continue "dialoguing" with them in the political sense. We want to keep these channels of communication open. We want to keep friends in Europe. But we don't want their military policy to determine our foreign policy. That's why we shall ask questions. It's right now, I believe, that we ask questions of ourselves about NATO and we ask questions of our allies about NATO.

Is an armoured brigade the right kind of contribution Canadians should make to Europe, could make to NATO? Is an armoured brigade, which can only be used in the plains of northern Germany, the right kind of contribution for Canadians to make? Is our squadron of CF-104s, which can be armed with conventional bombs or with nuclear bombs, the right kind of contribution? And what is the scenario for using nuclear arms in Europe, in our bombers, in our CF-104s? Do we want to participate in this way in an alliance without knowing in which way these so-called tactical weapons will be used? And has the scenario ever been explained to you, to the Canadian people, as to under what conditions our aircraft would fly nuclear weapons and unleash them on Europe? Will it only be as a second strike, will it only be as a deterrent? Are these 104s, are they soft targets? In the eyes of the Soviets, in the eyes of the Warsaw Pact countries, are they not entitled to ask themselves: "Well, what are these 104s flown by Canadians going to serve? Are they going to be first strike or second strike? Is it likely that they will be second strike? They are soft targets, they are on the ground, we know where the airfields are. Isn't it likely that they might be used to attack us first?" These are the questions that our enemies, the Soviets, are asking themselves, and these are the questions we are asking of our allies.

Our contribution in the naval area to our anti-submarine warfare -- is this the right contribution? Should we be having the kind of naval force which is prepared to destroy the Soviet nuclear-armed submarines, which are a deterrent for them as the Polaris is a deterrent for the United States? The United States

has Polaris submarines in the oceans and it will use them if it is attacked first, and if the American cities are destroyed the Americans know that they have their submarines as a second-strike capacity. And this strengthens the second-strike capacity of the United States. This is part of the balance of terror. This permits the Americans to say to the Soviets: "If you start first, we can still destroy you with our submarines." But the Soviets say the same thing: "If you Americans start first with your ICBMs, we can still destroy you with our submarines". The submarines are by nature, I suppose, in this capacity - they are second strike, they are deterrent. Is our policy right to be armed essentially against them?

These are the questions we want to ask of our allies, and we want to decide what our contribution in NATO will be. I am not promising any revolutionary changes. There may be some and they may not be very great. But I say that whatever our contribution will be in a military sense will flow from our foreign policy. And that is the purpose that our Government, your Government, is pursuing in Ottawa. It is an attempt to redefine our policies in all spheres. We have done it in the cultural, in the constitutional, in the trade spheres. We are doing it in the area of our foreign policy and of our defence policy....

... I wanted to talk to you about these things tonight because ... these things concern you, because these things are the problems which we are trying to solve, which we are trying to inquire into in Ottawa. And, as Canadians especially, these are problems which will determine not only our future but the future perhaps of a great part of mankind. It is these problems, problems of East and West tensions, problems of North and South tensions, problems between the rich and the poor, problems which arise in our own country, problems of the protection of our sovereignty, problems of contribution to peace, to peace-keeping -- these are the problems we are asking ourselves to solve and these are the problems we want to discuss with the people of Canada. Because the solutions we will find will be important for every Canadian, not only the military.

I think the people who are in the armed forces have a right to know where we are going. And when I was reading this statistic a moment ago, about 40 per cent of those we trained to be officers leaving the armed forces, this is not because we made a decision last week. This is because, over the years, they feel that Canadians have no deep confidence, no deep belief, no deep respect even, for the kind of military role we are playing now. It is important that we re-define it, it is important that we believe in it. If we don't have a belief in it, we should tell the people who are devoting their lives in the armed service of the country: "There is no future for you. We are going to be a pacifist nation, or we are going to pull out of all alliances, or we are only going to need some forces in Canada in aid of the civil power". They have a right to know from us what their future is. Over the past several years, the armed forces have been losing very good men because they did not know where Canadians were going in their foreign policy. And I repeat what I said at the outset, they didn't know that because many taxpayers -- and I met some of them out tonight, though many were too young to be taxpayers -- but many people in our universities, many people in our financial circles, many people in our provincial governments, are saying we are spending too much on defence. Perhaps and perhaps not.

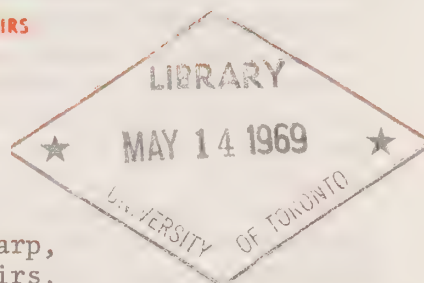
But we want to make sure, and this is the whole purpose of the review of our foreign policy; we want to make sure that whatever we do is understood by Canadians, whatever we do is justified in terms of the political decisions we have made, whatever we do is a result of honest men in government looking for the best ways in which they cannot only protect Canadian sovereignty but contribute to peace in the world.

S/C



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/9

CANADA AND THE PACIFIC

Speech by the Honourable Mitchell Sharp,
Secretary of State for External Affairs,
to the Foreign Correspondents' Club,
Tokyo, April 15, 1969.

... Here in Tokyo, one naturally thinks of the Pacific face of Canada. Large numbers of Canadians, however, have their foreign gaze firmly fixed eastward on Europe - when they are not preoccupied with events on our own North American continent and our very close and rather special relation with the United States. The origins of most of our people, our culture, our politics, our history, our exploration, our trade have all combined to weave Canada's destiny intimately into that of the great Atlantic community.

But this is not the whole story. Some of the earliest explorers pushed across the northern half of our sprawling continent in part to find the Pacific and another trade route to Asia. It was not an easy task and nature often imposed difficult barriers. One such natural obstacle was the rapids in the St. Lawrence River near what is today Montreal. They were named La Chine - China - as a testimony to the ultimate goal of those early explorers from France.

As our transcontinental nation was formed, and as the Western provinces of Canada grew and prospered, they began to look as naturally across the seas to the Orient and Australasia as the older provinces looked back across the Atlantic to Europe. The government policy-makers of the late nineteenth century hoped that Canada would become an essential link in forging new channels of commerce and communication between Europe and the nations of Asia and the Pacific. Trade - and missionaries - began to draw us in that direction too. The first Canadian trade commissioner arrived in Yokohama shortly after the First World War and one of Canada's first diplomatic missions abroad was established in Tokyo in 1929, one year after we established a legation in Paris, two years after we opened in Washington.

There is, therefore, a long history of Canadian interest in the Pacific countries, particularly Japan. But it was not until after the Second World War that Canadians as a whole became aware of the Pacific as they had been of the Atlantic - as a natural focus for our trading interests and for the definition of our international personality. This growing consciousness of the Pacific is attributable in economic terms to the amazing progress of Japan, to the continuing development of other countries on the "Pacific rim" and to the

remarkable growth in the extractive and manufacturing industries of Western Canada. Over the past 30 years developments in Asia have also brought home to Canadians as never before the realization that Canada is involved despite our apparent geographical remoteness. The upheaval in China following the Second World War, the Korean War, and more recently the Vietnam War, have prompted Canadians to be concerned with the way in which the world's peace and security is affected by events in East and Southeast Asia. All this has led to a fresh recognition of the obvious fact that Canada is a Pacific as well as an Atlantic nation, and to a reassertion of this fact as a firm principle of our foreign policy.

I cannot tell you in precise terms how we propose to translate this general assertion into tangible policies. In our comprehensive review of Canada's foreign policy, we have in this area of the world concentrated so far only on the question of China and have still to tackle the broader question of our relations with Asia and the Pacific at large. In any case, the evolution of foreign relations in a democratic and pluralistic society is to a great extent a natural and organic process, especially for a country such as Canada, which has neither the power nor the desire to impose solutions. In reformulating our relations with the Pacific community, we are dealing in many instances with forces which are beyond our capacity to control, and in this sense Canada's role is responsive - I hope our part will be constructive and not without influence, but inevitably it will not be that of a prime mover. Our policy must be a response to felt needs and interests; but these are growing in Canada, and therefore it will be incumbent upon our Government to take deliberate steps to guide and quicken our relations with the countries of the Pacific.

Japan

Foremost among the countries with which closer Canadian ties are being forged is Japan. In economic terms this country has come to be of tremendous importance to Canada. Japan is at present our third-largest trading partner, competing for second place, and bilateral trade between Japan and Canada last year amounted to almost \$1 billion. We have traditionally been large-scale suppliers of the basic primary commodities required by the Japanese economy. But we are also anxious to secure a greater opportunity for our producers to compete with more highly-processed products in the Japanese market, and we look to the disappearance of impediments, many of which are out of date in the Japanese economy of today, to our export trade in these goods and in agricultural products.

In the other direction, Canadian imports from Japan have since the conclusion of the first Canada-Japan Trade Agreement in 1954 increased more than sixteenfold. The vast majority of these imports are fully manufactured goods, and there are times when sales of a few Japanese products occur at levels which cause disruption in the Canadian economy. We feel obliged to state our position frankly in such cases, and we expect an understanding reaction from our Japanese friends. The healthy state of our relations and our shared interests are such that they can readily withstand these differences. There has also been a substantial increase in the amount of Japanese investment in Canada in recent years. We have noted with satisfaction Japanese participation in the development of natural resources in British Columbia and Alberta and we should welcome more Japanese investment, particularly in our manufacturing industries.

Important as these economic relations are, I should not want to leave the impression that they are the be-all and end-all of Canadian relations with Japan, or that the quality of our appreciation of each other as nations can best be measured by ringing up mutually profitable sales, each on his own cash register. This is far from being the case. Japan was a major exhibitor at Expo 67 in Montreal, on the occasion of Canada's centennial, and Canada was the first country to agree to be an exhibitor at Expo 70. In Osaka, Canada will be represented not only by the Federal Government's pavilion but also by the pavilions of three of our provinces - British Columbia, Ontario and Quebec. Visitors of all sorts - tourists, businessmen, officials, politicians - are moving in increasing numbers between Canada and Japan; some 15,000 Canadians came to Japan last year, and many more are expected in 1970. Canadian students, scholars and artists come here to study the great cultural and artistic heritage of this ancient land. The Toronto Symphony Orchestra - conducted, I might note, by Seiji Ozawa, who has become famous in North America - is at present performing in Japan, the first such tour by a Canadian orchestra.

Our deepening relations in non-governmental fields, and the rapidly-growing importance of Japan as a world power, have as their natural concomitant an even closer political relation. Bilaterally in the current Ministerial Committee Meeting and in individual meetings with federal and provincial Canadian cabinet ministers, multilaterally in the close collaboration which exists between Japanese and Canadian delegations in all the major international organizations to which we both belong, we find ourselves exchanging ideas with the ease and frankness which reflects mutual respect and a broad similarity of approach to many problems. In the political field our co-operation is particularly close in the United Nations and its agencies. In the economic field, it expresses itself especially in our mutual interest, as non-European powers, in the OECD and the GATT. Both of us have the U.S.A. as our chief trading partner and both of us are concerned lest the economic world of the developed countries become a U.S.-EEC dialogue.

China

In recent months, the Canadian Government has, as you know, undertaken a complete review of Canadian policy towards China. This is, in part, a reflection of our awareness of Canada as a Pacific nation, since no consideration of the area could be complete without close attention being paid to this vast country containing almost one-quarter of the world's population. The Canadian Government's plans stem from the public statement made on May 29, 1968, by our Prime Minister, Mr. Trudeau, to the effect that, if his Government was re-elected, it was his intention to open discussions leading to recognition of the government in Peking. After several months of intensive study within our own administration and discussion with some interested governments, the decision was taken to have our Embassy in Stockholm approach the Chinese Embassy in that city with a proposal that we enter into substantive discussions. We have now had a Chinese reply to that approach and we hope that the discussions in which we are about to engage in Stockholm will lead in due course to the exchange of diplomatic missions.

Perhaps this would be an appropriate occasion to explain why, despite the reservations that have been frankly expressed to us by some friendly countries, we have come to the conclusion that it would be desirable for Canada to seek diplomatic relations with the People's Republic of China at this time.

Briefly, the reason is not unlike that offered by a distinguished mountaineer when asked why he continued to attempt the conquest of Mount Everest: "Because it is there!" The effective Government of China is, and has been for almost 20 years, the Government in Peking. For much of that time, Canada has been expanding and developing relations with China in a number of fields, and in some of them - particularly trade - our relations with China have become important to us. But if China is important to Canada, one has only to open a newspaper almost any day to appreciate that China has come to occupy an important, perhaps even critical, position in today's world. If a stable basis for peace in the world can be found, it is clear that China must participate in the finding. If Asian problems are to be solved, China must take part in their solution.

Given these facts, and the growing importance of China both to Canada and to the world, the question is not really "Why should Canada recognize Peking?" but "Why should Canada not seek diplomatic relations with the world's most populous nation?" In our view, the normal, logical and reasonable thing would be to have diplomatic relations with a country of such importance. However, since the issues involved are obviously highly controversial ones in the international community, it had been the position of the Canadian Government that it might be more appropriate for a country such as Canada to place first priority on a resolution of these problems in the context of the United Nations. In the absence of such a solution, it is now our best judgment that whatever uncertainties and disadvantages there may have been are unlikely to outweigh the arguments for trying to normalize our relations with the People's Republic of China.

In the Canadian Parliament and elsewhere, I have, in the months since the Canadian Government's intentions with respect to China were first declared, been asked many questions on the position of Taiwan. I have not been able to give a great deal of satisfaction to my questioners in Canada in this respect and I am afraid I shall not be able to tell you a great deal either. Clearly, the nature of our relations with Taiwan must change if we enter into diplomatic relations with Peking, for one cannot maintain diplomatic relations with two regimes both claiming to speak for the same country. What exactly these subsequent relations might be I cannot say, for this does not depend on the decision of the Canadian Government only. As for the status of Taiwan, it would be presumptuous for the Canadian Government to pronounce upon it one way or the other. The status of Taiwan is essentially something for the Chinese to work out, for both Peking and Taipei now regard Taiwan as a province of China. As I said in the Canadian House of Commons, when we recognize other countries we do not necessarily recognize all their territorial claims or challenge them, and we have the same approach to Taiwan.

We are fully aware that the Government of Canada and the Government of Japan view the question of recognition of Communist China in a somewhat different light - and we recognize that our interests may well be different. We have, however, kept in close contact with the Japanese Government as our plans developed and have listened carefully to what they had to say. We shall continue to do so, and we hope that they understand the reasoning which has led us to this step.

Vietnam

Another major anchor-point in Canada's Asian-Pacific perspective is our presence as a member of the International Control Commissions in Vietnam,

Laos and Cambodia. Nowhere in our foreign policy is our concern for the stability of Asia more manifest than in these peacekeeping commitments which, when they were established 15 years ago, were pioneering ventures with few precedents if any to guide them. In agreeing to undertake this assignment, Canada was furthering no national interest in the narrow definition of the term. Our hope was that we might be able to contribute to the process of re-establishing stability. Our continued participation in the Commissions reflects the interest of successive Canadian Governments in precisely the same objective. This commitment has not been an easy one. Measured in terms of foreign service manpower alone, an astonishing 34 per cent of the officer strength of my Department has served in one or more of the three Commissions. In this and other respects, our responsibilities in that part of the world have been enormously demanding. They have also been discouraging and disappointing and clearly devoid of the results intended. The dangerously expanding hostilities of the sixties in Vietnam have demonstrated that the objective is as far from being met as it was 15 years ago. It may be even more remote, for it will take time for the passions of war to subside and the scars to be healed.

We hope the discussions now in progress in Paris are part of an irreversible process, the final outcome of which will be what Southeast Asia so badly needs - a stable and durable political settlement, fair to the legitimate interests of those involved, unjust to none and above all mutually acceptable to everyone. That may be a tall order. It is not unrealistic in the sense that anything short of an adequately defined and workable political settlement would only invite a tragic repetition of the events which flowed from the basic flaws of the settlement made in Geneva 15 years ago. In the re-establishment of peace, and in ensuring that new political understandings are carried into effect, there may well be an important role for international guarantees and an international presence designed to moderate the situation and to help re-establish a working measure of confidence between those so recently in armed conflict. It is impossible to say at this stage whether Canada might make an effective contribution in such a context. Much would depend on whether we were asked to play such a part by all those directly involved. It would also depend on whether the tasks to be carried out, and the means available for doing so, gave such an assignment a realistic potential for a worthwhile contribution. I do not intend to sound unduly negative or pessimistic, or to imply that Canada is seeking to avoid all forms of commitment or involvement simply because they may prove frustrating or difficult. Far from it. What does concern me, however, is the need to avoid unproductive commitments which tend to freeze problems rather than help solve them.

Conclusion

Let me, in conclusion, take a brief look ahead at Asia and the Pacific as a whole. I foresee a Pacific area where what are at present the more economically-developed countries - the United States, Canada, Japan, Australia and New Zealand - will continue to expand trade among themselves and will also co-operate with the developing countries to encourage greater trade, investment and aid. Much of this will occur in the private sector, but, in so far as Canada is concerned, where government action is appropriate, we intend to adopt a constructive approach which reflects our role as a Pacific nation. We have in Canada a long tradition of interest in the Pacific. The rapid economic development of Asia and the Pacific, the increasing understanding of its importance to world peace and stability and the greater awareness of Asia's contribution

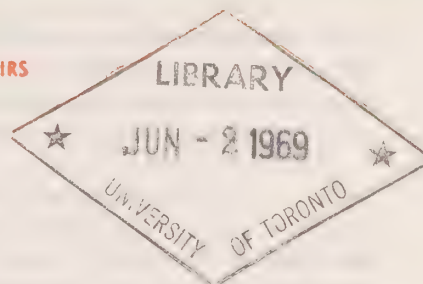
to the world's culture and civilization - all of these are combining to ensure a more active Canadian attention to this great area so that new links will be forged to add to the old ones for the greater benefit of all of us. And in this we look forward to the continued and increasing co-operation with Japan symbolized by the Ministerial meetings which have brought my colleagues and me to Japan today.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/10

TOWARD JUSTICE, AMITY, CO-OPERATION AND UNDERSTANDING AMONG PEOPLES

Speech by the Honourable Mitchell Sharp,
Secretary of State for External Affairs,
at the Brotherhood Banquet of the Beth
Emeth Bais Yehuda Synagogue, Toronto,
May 5, 1969.

...There is a cynical view of foreign ministers and those who engage in international affairs. I recall to your mind, for example, the famous definition of the ambassador as an honest man sent abroad to lie for the good of his country. Plato, himself, conceded that government leaders should have the privilege of lying, either at home or abroad, for the good of the state.

So you will see why, as a foreign minister, I feel so honoured to be asked to be among those who seek to promote justice, amity, co-operation and understanding among peoples. It is a rare tribute, and one that I shall always cherish.

You can well believe that, in carrying out their duties, foreign ministers, however well intentioned and however dedicated they may be to the promotion of justice, amity, co-operation and understanding among peoples, are often faced with moral dilemmas and difficult choices. This is true even of the Foreign Minister of Canada, one of the most fortunate of countries, free from foreign occupation, internal revolution and involvement in foreign wars.

How can this country best promote justice, amity, co-operation and understanding among peoples?

My relatively short experience in this office has taught me at least one thing, and that is that it is not sufficient simply to be in favour of these good things or to make eloquent speeches in favour of them.

I do not know of a single country, or a single foreign minister, that does not profess support for justice, amity, co-operation and understanding among peoples. As we all know, wars are nearly always justified as a means of attaining at least one of these worthy objectives.

The truth of the matter is that, while nation states and their leaders may be perfectly sincere in their protestations of goodwill towards mankind in general, they do not have identical interests. Conflict of interest is of the essence of relations between states just as it is of the essence of relations between individuals and groups. That is the starting-point of any realistic approach to human affairs.

Canada does not have interests identical with those of the United States or with those of Britain or France, or of the Soviet Union. Our respective national interests come into conflict at many points and are bound to do so and, the closer the relations, the more the points of conflict. Thus it is inevitable that, as the world contracts by reason of improved communications and grows more populous, the conflicts of interest between states will become more numerous, but let us hope not more serious.

We see the same thing going on in relations between people within states as their populations grow. The closer people come into contact with one another the more they come into conflict. Cities are more turbulent than the countryside.

This is not intended to be a pessimistic forecast of rising international and internal strife. Not at all. Conflicts need not become matters of strife; indeed, the aim of all men of goodwill is to do everything possible to ensure that conflicts are resolved peacefully and amicably.

I make these general observations rather for the purpose of drawing attention to the nature of the problem of promoting justice, amity, co-operation and understanding amongst the peoples of the world. As I have said, it is not sufficient to favour these worthy objectives. Let us take it for granted that everyone is in favour in principle and move on to consider how to deal with the specific points on which there may not be such unanimous agreement.

To illustrate. The whole world is deeply shocked by the civil war in Nigeria. Canadians are foremost in their desire to see that tragic conflict brought to an end. What stands in the way? Certainly not any lack of support for the principles of justice, amity, co-operation and understanding. Our ears ring with eloquent and fervent pleas in the name of humanity. Both sides claim that theirs is a just cause.

What has stood in the way of a peaceful settlement has been a fundamental conflict of interest. Nigeria wants to maintain the integrity of the state. Biafran leaders have insisted on independence. Until that conflict is resolved the war will go on.

Or consider the situation in the Middle East, which is so near to the hearts of many of you in this audience. Nowhere is there a better illustration of the fundamental and dangerous conflicts intensified by mutual distrust and suspicion that can exist between states and between peoples. Even the right to exist of the state of Israel has been challenged in the name of justice, notwithstanding its membership in the United Nations. These Arab-Israeli differences exist and somehow or other they must be resolved; otherwise peace cannot be secured in that troubled area.

Canada has actively supported the efforts of the United Nations to resolve this conflict, and has shared fully the burden of responsibility which has resulted from these efforts. Yet the problem - and the danger - is, if anything, greater than before. It is for this reason that we must continue to encourage the patient efforts of Ambassador Jarring, to which it is my hope that the current talks among the permanent members of the Security Council in New York will make a constructive contribution. In the meantime, we should hope that both sides would avoid statements and actions which could only inhibit and delay the achievement of a settlement.

The same is true of the East-West confrontation in Europe. There is little to be gained by deploring that confrontation. It rests upon a serious conflict of interest between states that has not been resolved. The existence of NATO and the Warsaw Pact is a symptom of that conflict, rather than a cause.

As I have said, conflict of interest is of the very essence of relations between states, as it is of relations between individuals and groups. The task confronting mankind is to find ways of resolving these conflicts. Without strife and without resort to the threat of violence.

It should not alarm us that there are conflicts of interest among Canadians. There are bound to be, and it is healthy that there should be because conflict can be a stimulus to constructive action. Conflict between union and management is often a stimulus to better working conditions and more efficient production. Conflict between political parties is often a stimulus to social advancement. The kinds of conflict that are futile and destructive and unnecessary are those that arise between white and coloured, between Jew and Christian, between Protestant and Catholic, between French- and English-speaking, conflicts founded on ignorance and prejudice.

Your association has dedicated itself to seek by educational means to promote justice, amity, co-operation and understanding among people differing in race, religion or nationality. I congratulate you for having recognized the key importance of education. Conflicts based on ignorance and prejudice are the most intractable, the hardest to resolve, and it is only by the slow, difficult but sure process of education that we can do this.

As I have said, it is inevitable that states come into conflict and the closer their relations the more the points of conflict. It may seem paradoxical but it is nevertheless true that, the closer and friendlier our relations have become with our great neighbour the United States, the more numerous have been the points of conflict. Similarly, the fewest points of conflict arise between Canada and countries with which we have the least to do.

It is something like a man and his wife. The longer they live together and the more children they have the more they have to argue about, even if it is all friendly.

What complicate international relations enormously are conflicts that arise not because of real differences of national interest which can be assessed and resolved but because of mistrust and suspicion. And the tragedy is that the deliberate inculcation of mistrust and suspicion has become an accepted instrument of international politics.

This is why it has seemed to the Canadian Government that one of the things this country can do in international affairs is to help to break down the barriers and the isolation between nations that give rise to mistrust and suspicion, just as your association by its very existence helps to break down these barriers between individuals of different race, religion or nationality. That is why we are negotiating to exchange diplomats with the Chinese Government in Peking. We hope to help to bring those hundreds of millions of Chinese people more effectively into the international community. Perhaps others will follow our example. This is why, in Europe, Canada is actively seeking in appropriate fashion to develop contacts between the Communist and Western worlds - cultural contacts, trade contacts, co-operative projects, so that the necessary basis of confidence can be built up to allow for détente and the establishment of better and saner political relations between the world's two great power centres.

It is well to recognize, of course, that efforts to promote understanding will sometimes be resisted. There are those who prefer isolation, and even some who, as I have mentioned, deliberately create mistrust and suspicion to advance their ends. There is little doubt that one of the reasons for the Soviet invasion of Czechoslovakia was the fear that the barriers were breaking down too rapidly, that the infection of freedom was spreading in Eastern Europe.

This is an illustration of one of the moral dilemmas facing nations and foreign ministers. How far is one justified in promoting justice, amity, co-operation and understanding if in so doing one is to invite repression of the very people one is trying to help?

The lesson of Hungary is one that will not soon be forgotten. Were the Hungarians misled into believing that Western support for their cause was more than moral support?

All foreign ministers, of all countries, are accused of being mealy-mouthed, of not speaking out boldly on behalf of the causes that are dear to the heart of some of the citizens of their countries and even to their own hearts. It is an occupational hazard from which, so far as I can see, there is no escape. Condemn, they are urged - take the issue to the United Nations - break diplomatic relations - enforce sanctions - retaliate. There are occasions, very few though, when this is an effective course to follow. But in international affairs, as in domestic affairs, discretion is more often the better part of valour and it is usually more useful in the end to proceed with patience and forbearance in pursuit of justice, amity, co-operation and understanding among peoples.

The international community is not like a gentleman's club that can expel a member who offends the code of the majority. Severance of diplomatic relations with a country does not make it disappear; it continues to share the globe with the rest of us. In nearly every case it is better to continue contact than to break it off, thereby giving up whatever opportunity there might be to influence the course of events there.

The international reputation of a country depends on its effectiveness. One essential element of effectiveness is to speak and act within the limits of one's powers. There are Canadians who, from time to time, call upon their Government to take a public stand on some issue that Canada cannot influence. To do this is simply to make a noise and at the same time to diminish our credibility in the international community. The effect is very much the same if Canada, or any other member, brings a resolution to the United Nations that has not the least possibility of gaining a reasonable measure of support. The reaction is that the member concerned should have been able to foresee what would happen. By going through the motions such a country will be judged either uninformed or imprudent. Its international influence will be reduced, its capacity to act effectively on some other issue lessened and the finding of a genuine solution may be jeopardized.

As you will have gathered, I do not have easy answers, for there are none. The search for peace and harmony among men is a never-ending search. All I can say is that it must be pursued even more relentlessly than ever before, because the consequences of failure to make progress could be so appalling.

As I see it, there are two directions in which we must move. The first, perhaps the most important in the long run, is to break down the barriers of prejudice and ignorance that divide men needlessly. This you understand. It is your objective. The second is to develop means for the settlement of international disputes and conflicts without war. There is no country which has given and continues to give more support to this objective than Canada. But I would be less than frank if I did not say that progress is slow and halting and sometimes there is none at all. Nor is this surprising. It is a reflection of the fact that mankind has not yet developed a world view or the means of bringing such a view to bear. But gradually, inexorably, all the forces of science and technology are moving us in that direction. Today we divide the air-waves among the nations; we make inter-

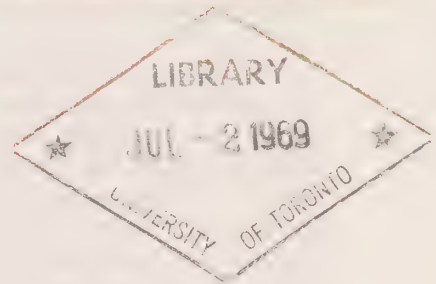
national laws about the use of space and the ocean-bed. All of these arrangements require nations to limit the exercise of their national sovereignty. Let us hope that, in due course, it will come to be accepted that nations agree to abide by international decisions on political questions and to forego the use of force.

Canada will spare no effort in working toward this end at the United Nations and in all the contacts we have with other nations and groups of nations. Order in the world depends on many things but first and foremost on the prevention of war. This is Canada's first and greatest objective in foreign policy. It depends too on the eradication of poverty and the achievement of a reasonable standard of living for all the world's peoples. Canada made rather a late and uncertain start in this field, but we have moved quickly from that start and hope to move even more quickly in the future. I look with confidence to the time, not so far off, when Canada will play a leading part in international development, not in absolute terms, since we do not have the massive resources controlled by the super-powers, but in our imaginative use of the resources we do have, in our readiness to try new things, to listen to new ideas, to look beyond the horizon to a new day.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/11

CANADA IN THE GLOBAL COMMUNITY

A Speech by the Honourable Mitchell Sharp,
Secretary of State for External Affairs, to
the Canadian Manufacturers' Association,
Toronto, June 3, 1969.

I do not have to tell a group of experienced Canadian manufacturers that Canada depends heavily upon international trade. As a nation, we must export or die. The high standard of living that we enjoy depends on an active market for our products. Our great harvests of wheat and other foodstuffs from farm and fishing-ground, the products of our mines and forests, primary and secondary manufactures -- all these must in large measure be sold abroad. The field in which we are least effective is the one with the greatest potential for maintaining a buoyancy in employment and raising our standard of living, the field of major concern to you, secondary manufacturing.

But don't think I have come to read you yet another lesson on the need to increase your efforts to export -- I used to do that when I was Minister of Trade and Commerce and I am happy to leave it to my colleague Jean-Luc Pepin. I have come to speak to you about Canada in the "global community", and I want to make clear from the start that we are very much in the global community, not just politically but economically as well. Let me illustrate this. Canada's first great object in foreign policy is the prevention of war. Our second great object is to contribute to world stability in general and to the growth of world prosperity in particular.

Any great trading nation knows or ought to know that it can only flourish in a flourishing world economy. Even the United States, the strongest economy on earth, would find its standard of living lowered to a degree unacceptable to its people if world conditions seriously weakened its export trade.

So our two great foreign policy objects -- one political, one rather more economic -- place us in the centre of the global community. It is in this wider community that we must exert our political influence and put our economic resources to work. And we must take it as it is.

Important aspects of our political relations have been discussed in public in recent months as a result of the review of foreign and defence policies currently under way. You heard yesterday, from Jean-Luc Pepin, about Canada's

trade patterns, problems and prospects. Today I have decided to talk of Canada as a part of the global economic community in terms of international development assistance.

Canada recognizes and has official relations with some 120 governments of sovereign nations. About 90 of those nations are poor countries and only 30 or so are what we call "developed". Therefore, for three-quarters of the nations with which we do business, development assistance is a major preoccupation. If Canada is to play a constructive part in world affairs, aid for international development must be one of our major preoccupations. This year, resources made available for transfer to less-developed countries will total about \$360 million. This is a sizeable amount, but if we are to reach the level of 1 per cent of national income to which we are committed, it will have to be doubled in the next few years. The Government intends to do this.

In the course of our review of defence and foreign affairs policies and programmes, we are examining the most basic assumptions and seeking to establish what are the important issues and what are the alternatives open to us in dealing with them.

Part of this review has involved a study of Canada's role in international development assistance. It has been an opportune time to undertake such a study, for the conceptions underlying development assistance are changing.

When international assistance was first attempted on a large scale, the programmes were very basic -- as basic as the soup kitchen during the great depression. But the soup kitchen did not bring back prosperity. It simply kept people alive. Other means had to be found to recreate a lively international economy.

In the same way, we have seen a shift in the emphasis of external aid. From programmes aimed at simply relieving misery, it has developed into a complex process involving all aspects of a country's economic and social life. Educational assistance, financing capital infrastructure such as power-plants, roads and other means of communication, providing managerial skills, supplying industrial raw materials, developing trade opportunities, all play a part. To help a country reach the point of economic "takeoff", the point at which its economy can expand without further infusions of aid, calls for highly specialized and sophisticated techniques. This is the kind of thing Canadians are learning to do on a large scale to make our aid programmes effective.

It is time we asked ourselves some fundamental questions: "Why are we giving aid? Why should we continue to do so in the future?" The forces that have motivated the Canadian people and the Canadian Government in the past to provide international aid are diverse and difficult to weigh. The philanthropic or humanitarian motive has been one of the most important to Canadians. The worldwide efforts of private voluntary agencies, including the churches, make this very clear. But it is difficult to gauge the strength of this motive as a factor in public support for governmental aid programmes which, inevitably, put a great distance between the donor-taxpayer and the ultimate recipient. The sense of participation cannot be very strong. It depends to a large extent on how acutely Canadians are aware of the conditions of poverty found in many parts of the world.

It depends, too, on the kind of satisfaction people get from collective philanthropy. This is most difficult to measure.

Our development-assistance programme receives some support as a vehicle for the sale of Canadian goods and services to developing countries. This assumes that foreign assistance means higher exports, higher employment in Canada and the strengthening of the Canadian position in world markets. But we cannot justify the provision of aid on these grounds alone. Real aid is, by definition, a gift with no expectation of direct economic return. A loan on easy terms has an aid element in it, but it is not aid as such.

If the Canadian economy is fully employed, aid expenditures will not bring about an increase in employment and output. If there is unemployment, there is nothing to indicate that the provision of funds for external aid is a more effective way of stimulating employment than the expenditure of a like amount on other programmes in Canada. But aid expenditures do have an impact on the Canadian economy, in particular industries and particular regions, and Canadian products are better known in the developing countries as a result of our aid programmes.

We are so accustomed to think of the developing countries as hewers of wood and drawers of water that it is difficult for most people to think of them in any other way. For centuries they have been producers of agricultural raw materials, foodstuffs and a few other primary products. It is very difficult for them to develop a modern economy based on these products. Liberalized trade in basic commodities -- even preferential treatment by nations such as Canada -- can make only a very limited contribution to the economies of these countries. It does not help much to have preferential tariffs on products such as natural rubber and coffee, which are produced only in the developing countries and are already imported into developed countries at low levels of duty.

There may be a few cases where preferences for natural products produced in the developing countries over substitutes produced in the more advanced countries would be of some help. The developing countries will be helped most effectively by facilitating their exports of manufactured goods. In these countries the prospects for growth are much improved if they are encouraged to produce at home some of the things they now import. The strengthened economic base this will build will help them to diversify their exports and reduce their dependence on traditional basic commodities, which are subject to sharp fluctuations in price and demand. If this process is to be effective, the developing countries will have to find markets for new products, partly in the developed world and partly in developing nations. In countries such as Canada, this inflow of manufactured and semi-manufactured products may, in some cases, be promoted by lowering tariffs. A good part, however, should come as a result of the evolution and growth of competitive business in the developing world.

We are going to have to accustom ourselves to an increased flow of products into Canada from the developing world. But we should welcome this. While it means stiffer competition, it also means reduced aid expenditures. Aid and trade can be viewed as alternatives, but only in a very long perspective, and it is certain that for many years to come Canada will be increasing rather than reducing its allocation of funds to development assistance.

Some authorities advance a political rationale for aid programmes. This is that provision of funds and assistance, by reducing hunger and misery, has a stabilizing effect in the poorer countries since the people will have fewer issues to fight about. For my part, I find this hard to accept and repugnant in some of its aspects. First, world history makes it abundantly clear that populations kept at or below the subsistence level lack the physical, mental and spiritual strength to organize and carry through effective action, political or violent. Successful revolt, like successful government, calls for effective infrastructure, the kind of thing aid programmes are designed to provide. My second point about this theory raises one of the perennial political problems about development assistance. The assumption that the developed nations' interests are served best by maintaining the status quo through the judicious supply of aid is both arrogant and unfounded. There are countries where one can only hope that in due time the development assistance they receive from us and from others will give to the people the sinews they need to rise and cast aside the cruel weight of unjust and unprincipled government. At the same time, if we have the vision to look ahead decades rather than years, we can see the unrest that rising expectations can breed as a transitional period leading eventually to a stabler and more prosperous world.

Another justification for development-assistance programmes is that they contribute to a sense of national self-esteem and thus to a sense of national unity and identity. Again, this is hard to quantify. I believe it would be difficult to take pride in a country that failed to pull its weight in this field. If we can't take pride in our country, then we cannot have the sense of community and common purpose that is the only healthy foundation for nationhood.

Canada's first efforts in the field of international assistance were devoted to the reconstruction of Britain and Europe after the Second World War. At this time, Canada was second only to the United States as a source of economic assistance to the rest of the world. A major motivation for this activity was probably a sense of indebtedness for the sacrifices Europe had made during the war and a desire to have Europe strengthened to avoid further hostilities over control of its industry and resources.

Our first aid initiative, in the true sense of the term, was a contribution to the United Nations Relief and Works Agency for the relief of refugees in the Middle East. The major motivation behind this was probably the desire to reduce political and social tensions in that area at a time when cold war tensions were rising and when we were still living in the aftermath of the Second World War.

The Colombo Plan, established in 1950, was the first aid programme in which Canada took part in the basic planning. Our motivations were probably varied in nature. We had an interest in helping the newly-independent nations of southern Asia take their place in the Commonwealth and we wanted to help alleviate the grinding poverty found in that part of the world. More practical considerations came into play, the need to reduce the dollar gap by infusing dollars into the sterling area and the need to strengthen Southeast Asia in the face of the threat posed by the outbreak of war in Korea.

The evolution of the Canadian development assistance programme since the early 1950s has followed the momentum and pattern of events in the underdeveloped world. As Britain's colonial empire was dissolved by the granting of constitutions to colonies all over the world, the new nations that came into being were included in the Canadian assistance programme.

In the past three years, a relatively modest technical assistance programme to francophone Africa dating from the early 1960s has been expanded into a major, balanced aid programme like that provided to developing countries of the Commonwealth. The increase in assistance to the francophone African countries makes our aid programme a better reflection of the bilingual and bicultural character of Canada.

In the mid-1960s, a capital-assistance programme for Latin America was set up to supplement the flows of official Canadian financing previously made available to Latin America on commercial terms through the Export Credits Insurance Corporation. The aid funds are administered by the Inter-American Development Bank and have been made available at a rate of \$10 million a year. They now total \$50 million. The whole Canadian programme to Latin America is being subjected to a review of its own to define our objectives and policies toward that continent.

The Canadian development-assistance programme as it now exists had evolved through the years in response to evolving needs and changing Canadian interests. It may be that a re-evaluation in the light of the priorities and objectives of the present time will not lead to any substantial change in the outline and character of the programme. This is a basic question with which the policy review is concerned.

My comments so far have been directed to some of the traditional arguments for the provision of aid to developing countries. These continue to be valid. Now I should like you to look at the question of foreign aid in a slightly different perspective -- one very much in line with the theme of our discussion, "Canada in the global community".

The provision of development assistance can be viewed as an investment in the world of 25 years and more in the future. I don't mean just Canada's investment; I am talking about humanity's investment in the future of life on this planet. It is not a short-term business proposition. Because of the great lapse of time before we may expect significant return on development expenditures, many people intuitively do what the professional investment analyst does and discount back to the present the benefits of the period 25 years hence - and they do so at some substantial rate, so that the importance of that period approaches zero. In other words, the world in 25 years time becomes irrelevant to the question of how we should allocate our resources now.

Let us look more closely at this discount thesis. Do we really believe it in our own expenditure pattern? I don't think we do. When a five-year-old child starts to school, the period of investment in his education is likely to be about 20 years. The social and economic benefits of this investment will not show up for 20 years or so. If we were to discount this kind of investment, the education of our children would seem to be unprofitable.

The same applies to investment in our own social problems. We have, and are, investing heavily in programmes to benefit the poor people of our own country, particularly by way of education and retraining. None of us, except the most naive, expects immediate results. We are investing in a better Canada years hence.

Similarly, our contributions to programmes for pensions and old-age security are directed to benefits to be derived in the more or less distant future. People under 40 are directing a substantial part of their resources to providing for their needs in the world 25 years hence.

I think I have said enough to indicate that the state of the world of a quarter century from now is not irrelevant to how we allocate our resources today, and our patterns of expenditure in Canada testify to this. Foreign aid is an allocation of today's resources to affect precisely the same period of our lives that educational expenditures, pension contributions and many other social welfare expenditures are designed to affect. In a real sense, therefore, the world of 25 years hence is the most relevant factor in the calculation of the allocation of our resources. It is the time in which our children and grandchildren will have to go into the world to make their living, and the time when most of us hope to enjoy the fruits of our labour over the preceding years.

We must ask, then: "What kind of world do we want our children and grandchildren to work in? And what kind of world do we want to retire in?" The answer to that double-barrelled question should be a determinant as we assess our motivations for foreign aid.

If assistance to developing countries is to be an important factor bearing on the world in which we will be living ten, 20 or 30 years from now, we have to know why the conditions in the developing countries at that time will be so important to us as individual Canadians. The humanitarian feeling will not lessen. I predict, rather, that it will increase as the years go by and we become more and more familiar with the exploding problems of the Third World. This increasing concern will flow from the rapidly developing world communications.

We are all familiar with Marshall McLuhan's conception of the global village. We can no longer ignore what happens in other countries. Tanks roll across our living-room screens, people fall in a hail of gunfire. We see it all happening. We are, in a profoundly emotional sense, very much "there". Campuses burn, statesmen meet, rockets roar off to the moon, and we are "there". So, too, are millions of others. When the American astronauts floated down into the Pacific after their thrilling voyage to the moon, they were watched in the U.S.S.R. and many other parts of the world.

If the problems and human misery in Vietnam or Nigeria impinge upon, and deeply affect, our lives today, then the communications explosion coming in the next 25 years will certainly not allow us to ignore the misery of India, Indonesia, northeast Brazil or of other deprived regions of the world. Television beamed directly into our living-rooms by satellite, more sophisticated electronic news media, greater travel by "jumbo jet", more leisure time to travel -- all these will heighten our awareness of the kind of world community in which we live. And if the youth of today are unhappy with the world we are bequathing to them and what we are doing about it, they will be doubly so in 25 years unless we act and act now. It is no longer a question of standing on the sidelines. We are in the game. This is why we are reviewing our foreign and defence policies so thoroughly. This is why we are taking a long, hard look at the part our foreign-aid expenditures play in our global policy. Just as most wealthy Canadians and Canadian corporations now properly feel that they have a responsibility to help solve some of our domestic, social and environmental problems, as communications push the boundaries of our human community beyond our national boundaries, so must we as a nation increase our contribution to the eradication of poverty on a worldwide basis. The conditions of the world community do, and to an increasing extent will, impinge upon our own ability to enjoy our own lives.

What does all this mean? It means that, because of the development in communications, because of the extension of the community of which the individual Canadian will increasingly feel a part, the strategies of allocation of our resources today, directed towards the world of 25 years hence, must give a significant weight to development assistance. From this perspective, foreign aid is in the same category as our expenditures on education, our pension plans, our regional development expenditures, our family allowance and our private insurance structures. It is designed to affect the conditions under which we will live in 25 years.

We applaud the American space programme for its technological achievements and we know that as Canadians we shall never be in the space race. Our resources, more limited but still very large, can more usefully be put to work elsewhere, seeking solutions to the human problems on this poor spinning planet of ours. Nor are we involved in the arms race. But we can play a significant part in the development race. Indeed, in this race I'd like to see Canada up front, and leading. It's a race that will determine the future history of man.

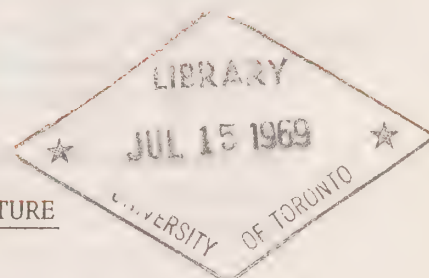


CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/12



CANADA AND LATIN AMERICA -- THE PRESENT JUNCTURE

An Address by Mr. Jean-Pierre Goyer, Parliamentary Secretary to the Secretary of State for External Affairs, at the Inaugural Meeting of the Canadian Association for Latin American Studies, York University, Toronto, June 12, 1969.

In the context of the review of Canada's external policy now under way, especially that part of the review concerned with Canada's relations with Latin America, I find it wholly appropriate that an organization such as the Canadian Association for Latin American Studies should be created, since these special circumstances provide it with a natural objective: to increase mutual knowledge between Canada and Latin America and to establish machinery towards that end. Although your organization is but a few hours old, it represents both a remarkable pool of knowledge and a means whereby that knowledge can be put to use. For its part, the Government has pooled its experience with a view to drawing up its future Latin American policy. I am, therefore, very happy, this evening, to be able to establish a link between these two initiatives, by attempting to trace the broad outlines of our relations with Latin America since 1945 and to indicate some basic elements which will guide us in the formulation of our new policy....

In dealing with the topic of relations between Canada and Latin America as they exist at the moment, and their evolution since 1945, I must first recognize that, from an objective viewpoint, they have perhaps not been as much in the forefront of our international preoccupation as they should be. It is obvious, also, that our relations with the United States, our very powerful neighbour, inevitably concern us more than our relations with countries south of the Rio Grande. It is also clear that our ties with Europe and the countries of the Commonwealth have, in general, been closer or more closely developed than those with Latin America. More recently still, the ties created with French-speaking countries have assumed proportions which, in a few respects, go beyond the present development of our relations with Latin America. From a purely geographical point of view, it could even be said that sometimes events in Asia or Africa attract the attention of Canadians more than those in the southern half of our Hemisphere. Nevertheless, one must admit that Canada is now closer to Latin America than it was 25 years ago, and I believe that this evolution will be accelerated from now on. This, in summary, is the present state of our relations with Latin America, in comparison with our relations with other parts of the world.

Let us now examine the evolution of our relations with Latin America since 1945.

Canada's Geopolitical Situation

From the point of view of our geopolitical situation, one would assume, at first glance, that Canada would have long since drawn closer to the countries of Latin America. In fact, we share the American continent with these countries; in principle. Canada and the Latin American countries defend the same political ideals -- that is, those expressed in the Charter of the OAS. Nevertheless, up to the present time, geopolitical forces have had the reverse effect.

Paradoxically, the main reason for this state of affairs is the special geographic position of the United States. The latter country is obviously the dominating geopolitical force in this Hemisphere and its influence is felt both to the north and to the south. Yet its relations with these two regions have developed separately, and in different directions. Similarly, both of these regions have a special relation with the United States, but this relation binds the region concerned to the United States rather than to the region at the other extremity of the Hemisphere. For this reason, one can say that the United States has been a geographical entity -- one might almost say a geopolitical entity -- separating Canada from Latin America.

I should add, in passing, that, if one considers the political systems of Canada and Latin America, the difference which does, in fact, exist between our system and that of most Latin American countries has been an element of neutrality in the development of our relations with these countries. In general, we have adopted the most correct and, perhaps, the easiest attitude, the attitude that their choice of systems of government is entirely their own affair, and they have granted us the same consideration. Perhaps this has not drawn us any closer to these countries but, up to the present, it has not separated us from them either.

There is another major reason why geopolitical forces have not yet brought Canada and Latin America much closer together: in the past, the political interests of Canada and those of Latin American countries did not follow the same line. Since their liberation a century and a half ago, the countries of Latin America have maintained cultural links with Spain and Portugal, and European immigration has played an important role in their development. Nevertheless, these countries have been forced to center their preoccupations on the solution of their internal problems and the affairs of the Hemisphere. As I shall mention later, the Canadian people's involvement in international affairs is a fairly recent phenomenon. Despite this, Canada has always been relatively open to the outside world, either for historical or internal reasons, or because of the need to counterbalance the influence of the United States.

As a result of technological changes since the Second World War, the geopolitical gap between Canada and Latin America has narrowed. Aviation and telecommunications have greatly facilitated contacts between the various parts of the Western Hemisphere, and between this Hemisphere and the rest of the world. Canadians are showing a greater interest in the affairs of this Hemisphere than they did in the past; at the same time, the people of Latin

America are becoming more interested in world affairs. This interest on the part of the people is reflected at the government level. I was one of the members of the ministerial mission which visited nine Latin American countries at the end of last year; during these visits, the Secretary of State for External Affairs and myself were struck by the willingness of the ministers of foreign affairs of these countries to talk with us about several aspects of the situation in the Hemisphere and by their great eagerness to discuss in depth current international problems.

It seems obvious to me that co-operation in the discussion of political problems within the United Nations and some of its agencies is one of the reasons for the political rapprochement which has taken place between Canada and the countries of Latin America. I shall go into the fundamentals of this aspect of the question later on.

My way of conclusion on the geopolitical aspect proper, I should like to mention here the development of our bilateral relations during the past quarter of a century. Between 1941 and 1961, Canada established diplomatic relations with each of the 20 countries of Latin America. At present, Canadian diplomatic missions are located in 14 of these countries. These facts are indicative of a growing mutual interest between the Canadian Government and the governments of these countries. I am sure that this mutual interest will continue to develop in the future.

The necessity of having well-structured relations between the Latin American countries and Canada is, therefore, no longer questioned, and henceforth we can take for granted that the evolution of these relations, particularly in the political sphere, is going to be accelerated. What is still the object of our studies and our consultations is rather the form that these relations shall take in the future, and the place they shall occupy in the scale of our priorities in relation to other countries.

Economic Relations

Regarding economic relations between Canada and Latin America, I note the same difference as in political relations between the present state of affairs and the future potential. For our country as well as for Latin America, the most pressing long-term economic imperatives are perhaps economic development itself and trade.

Regarding economic development, the position of the Latin American countries is somewhat paradoxical. In the first place, some of these countries are far more advanced economically than the others. This gap has long existed for some of them. At the same time, in many of these countries, there are, on the one hand, striking economic development, fully comparable to that of the most advanced countries, and, on the other hand, very serious economic and social problems which affect a wide segment of the population. It is to these problems that the governments of these countries are increasingly turning their attention, and it is, of course, for them to make the necessary decisions, which in certain cases are of immediate urgency.

Certain elements of the Canadian private sector are fairly active in Latin America, where there have long been private capital investments of sizeable importance, especially in mines and public services. Canadian banks operate there and groups of Canadian engineers and consulting engineers are increasingly active in these countries.

More recently, the Canadian Government took a modest step towards real co-operation with the governments of the Latin American countries in the field of economic development. Since 1964, Canada has each year allocated \$10 million to the Inter-American Development Bank. This amount forms part of the long-term loans which the Bank grants to member countries in order to help them carry out certain development projects. The Canadian Government has the right to approve the projects financed with Canadian funds. This effort is worthwhile but hardly sufficient, if one considers that the amount which Canada contributes each year to help the economic development of Latin America represents only about 3 per cent of the money earmarked by Parliament for external aid. We fully understand the situation. In the field of economic development, we wish to co-operate with the countries of Latin America as much as possible in the future and we are now studying the most practical ways of doing it.

In another area, one related to trade -- that is, the field of export credits -- the Canadian Government has been very active in Latin America in comparison to other parts of the world. Of a total of approximately \$400 million granted for credits to foreign countries in recent years, about \$150 million has been directed toward Latin American countries.

I have already said that trade is unquestionably one of the oldest and one of the most effective ties between Canada and Latin America. The total value of our commercial exchanges exceeded \$965 million in 1968, more than 11 times the figure for 1941. Nevertheless, placed within the context of our world trade, this value represents only 3.8 per cent of our total trade for the year 1968 and, incidentally, indicates a balance in our favor. We sell more to most of these countries individually than they sell collectively on our market. These statistics clearly illustrate the real difficulties which these countries experience in increasing to a satisfactory level their exports to Canada. We are ready to provide our advice, as far as possible, to help them increase their output. In return, one must realize that the exportation of traditional Canadian products to Latin America will from now on have to face the free-trade area customs arrangements which are presently being established in these countries. Canada, while attempting to retain a fair share of the market for the exporters of these products, must also seek to ensure that exports of other kinds, such as the equipment needed for economic development, are given a place in our trade with Latin America.

It is evident that there is a place for closer relations with Latin America in the economic field. Canada can play an important role in the economic development of Latin American countries, not only through the Canadian International Development Agency and the Export Credit Insurance Corporation but also through the investment of capital and the various efforts of private groups. I see two main ways in which this role can be fulfilled: in the first place, through the financing which the Canadian Government could usefully provide in the future; and secondly, by making use of the experience of Canadians who have already had to deal with problems similar to those which Latin Americans must face at the present time.

In the area of commerce, it would be possible to enlarge our bilateral trade, not to mention the beneficial results we could achieve by working together within certain international bodies to improve the conditions of sale abroad for certain products, particularly those of the developing countries.

The recent decision to put into effect immediately all the tariff reductions which Canada negotiated during the Kennedy Round represents a step forward in this general direction on the part of the Canadian Government. This decision was made public in the budget, as was the Government's new system of customs exemptions for tourists returning to Canada, a measure which could benefit some Latin American countries. These two measures are a consequence of our development policies towards these countries. It would be unrealistic on our part to expect to contribute to the industrial development of these countries if we do not open our consumer markets to their products.

In short, even though economic relations between Canada and Latin America are not yet of capital importance, and even though there are real difficulties to overcome, closer relations are indeed possible and would be of advantage to both sides.

Cultural and Personal Ties

In the not-so-distant past, Canadian motivation with regard to international problems was far more the result of government initiative than of marked personal interest. The attitude of the average Canadian toward the outside world was very similar to the attitude toward Latin America for which we may be blamed today. Preoccupied with our own affairs, we did not in those days seek to become greatly involved in world problems. Though Canada participated in two world wars, it was only in the forties that a change in our people's basic attitude toward international affairs could really be noticed. This movement was first in the direction of our traditional external relations or, in other words, our relations with the United States, Europe and the Commonwealth. Nevertheless, Canadian attention to international affairs also grew as Canada took new initiatives in which our participation resulted from the force of external circumstances, from our responsibilities toward the United Nations, or from Canada's internal situation.

It is only relatively recently that the majority of Canadians have become truly aware of Latin America and of the importance which that part of the world has for Canada. Of course, there had long been Canadians who had felt drawn toward Latin America. I am thinking of people from all parts of Canada who have become interested in Latin America for one reason or another and also, in particular, of French-Canadians, for whom this region was made more attractive by its cultural affinity.

This interest has also more recently coincided with the need which French-Canadians feel to draw closer to other people of Latin background, more particularly to those of the French-speaking world.

This spontaneous interest on the part of French Canadians, and also that of many English-speaking Canadians, is important in cultural terms. The tendency of Canadians to consider Latin American culture a source of enrichment should be encouraged. The fact remains, however, that, in general, Latin American culture is little known in Canada, even though, with certain exceptions, this culture is remarkably rich, both in its classic and in its contemporary works. The

parallel which I have been trying to draw in other contexts is valid here again, for, if Latin American culture has not received all the attention it should in our country, similarly our culture is only slightly known in Latin America. With the exception of the ancient culture of Canadian Indians, linked with that of the natives of the southern part of the American continent, our artistic and literary productions have not succeeded very much in crossing the borders of the Latin American states.

On the whole, the internal situation of our country at the present time seems quite favourable to a cultural rapprochement with Latin America. Like the people of Latin America, most Canadians are the inheritors of Christian traditions and the Graeco-Roman civilization; and like them we attach importance to maintaining ties with Europe. If one adds to that a certain adventurousness which expresses itself externally in a desire to explore and draw closer to many parts of the world -- a tendency notable among the young --, one finds a solid basis for closer relations with Latin America.

As is the case for other parts of the world, there are some aspects of our cultural relations with Latin America that are especially important. I am thinking, in particular, of exchanges on the intellectual plane, university and scientific exchanges, and more generally of the personal contacts which are favoured by personnel exchanges of all kinds. In these fields, and in the field of artistic exchanges, there is a legitimate government role to be played, and we are now studying the possibility of closer co-operation on our part.

Finally, it should be noted that the public information disseminated in both directions -- toward Canada from Latin America and vice versa -- is scanty. We are far better informed about the situation in the United States or about events in other corners of the world than we are about what is actually going on in Latin America. Fortunately, there is some tendency on the part of newspapers and other media to improve this situation. On our side, for example, the CBC's International Service is effectively broadcasting in Latin America information about Canada, and it disseminates some Canadian culture. Nevertheless an effort must be made to further improve this situation if we are to remedy the obvious lack of information between two major parts of the same continent....

International Security

Canada's relations with Latin America in the realm of international security are indirect rather than direct. Since the Second World War, Canada's role in this field has assumed a threefold aspect: in the first place, an alliance with the United States for the defence of North America; secondly, as a member of NATO, our participation in agreements concerning the safety and stability of the North Atlantic world; and thirdly, under the auspices of the United Nations, our active co-operation in the effort to keep world peace. By this triple association, Canada up to now has contributed to world security and thus, indirectly, to the peace and stability of our Hemisphere.

America's security was only once subjected to external threat -- at the time of the Cuban crisis in 1962 -- and Canada was implicated through its obligations for the defence of North America. As you know, this crisis was actually settled by the two great powers involved. Normally, however, problems of Hemispheric security are looked after by the United Nations or by the OAS, of which Canada is not a member. This is why Canada has no direct responsibility

for regional security in the Western Hemisphere as a whole. It should nevertheless be emphasized that our obligations with regard to international security and our participation in the United Nations enable us to make a positive contribution, even if it is indirect, to the stability of Latin America.

Institutionalization of International Relations

Like most other countries, Canada belongs to a large number of international organizations; international affairs tend more and more to be discussed and even settled within these organizations. It is within these bodies that Canada, since 1945, has had some of its most fruitful contacts with the countries of Latin America. These contacts have occurred mainly at meetings of the United Nations and within several of its bodies, in particular the Security Council, the Economic and Social Council, the International Law Commission, the Commission on Human Rights, the International Labor Office, the World Health Organization, the United Nations Committee on Disarmament and the Economic Commission for Latin America, to which Canada has belonged since 1961.

Even though we have noticed in the deliberations of these bodies that our interests and outlook differ somewhat from those of Latin Americans, there is nevertheless a much broader field of action in which co-operation exists and this could be enlarged. As I have just said, this was also the impression of the Canadian ministerial mission which recently visited Latin America.

There is also an international institution to which the countries of Latin America and the United States belong. Canada, on the other hand, is not a member. I am speaking, of course, of the Organization of American States, the OAS, the leading organization of our Hemisphere. Its membership includes two independent countries of the Caribbean -- Barbados and Trinidad and Tobago; Jamaica has also just applied for membership. Why, then, has Canada never taken the necessary steps to take its place with most of the other countries of the Hemisphere within this organization?

Generally speaking, it would seem that the imperatives which impelled Canada to join similar organizations -- NATO, for example -- have not yet made themselves felt in the case of the OAS. Also, most Canadians are not very well informed about the OAS and, among those who know it well, there are a few who are convinced that Canada ought to become a member while others are distrustful and hence opposed to membership.

If one goes a little more deeply into the arguments involved, one would have to admit that Canada, by joining the OAS, would be taking an unequivocal stand at the side of the countries of the Hemisphere and would, at one stroke again, gain a voice in Hemispheric deliberations on political, economic and social affairs, and in questions of collective security. On the other hand, the history of the Organization, in particular its evolution during the past few years, and also the parallel evolution of co-operation among member countries of the OAS should be considered.

The Organization of American States was founded under its present charter in 1949, but it has existed in other forms since the last half of the nineteenth century. In its origin, the OAS was essentially a rational arrangement of relations between the Latin American countries themselves, and between these countries

and the United States. In 1949, these relations had existed since the liberation of most of the countries of Latin America; they had been characterized both by serious problems and by ever-increasing co-operation. Toward the end of the Second World War, the countries of Latin America and the United States, inspired by the same spirit which had prompted the creation of the United Nations, in which they played an important role, decided to regularize their own relations by signing two regional agreements. The first, the Inter-American Treaty for Reciprocal Assistance, the "Rio Treaty", was signed in 1947; the second, the Charter of the OAS, was signed in 1949.

Canada, wishing to avoid a renewal of the two world wars into which it had been drawn, participated actively in the preparatory work leading to the creation of the United Nations and became a member of this body. However, preoccupied with its own interests, and particularly with its relations with those parts of the world to which it was linked by history, and preoccupied also by its new responsibilities within the United Nations, Canada did not find sufficient reason to join the OAS. I might point out in passing, however, that our country became a member of the United Nations Economic Commission for Latin America in 1966, and that we have since taken an active part in its work.

The OAS -- and the whole inter-American system of which it is the central part -- have evolved greatly since 1949, especially with regard to activities designed to improve the economic and social conditions of member countries. The Alliance for Progress and the Inter-American Development Bank for Economic Development, the latter established outside the framework of the OAS but composed exclusively of member countries, are the most important instruments from this point of view.

There are also several OAS bodies which are concerned with technical aid and methods to be used in agriculture and other areas of the same nature. Under the new OAS charter, adopted in 1967 but not yet ratified by all member countries, the Inter-American Economic and Social Council and the Inter-American Cultural Council will be given much broader mandates than those they have had up to now. For a long time, there have been several other inter-American organizations outside the OAS dealing with a great variety of questions, which include technical, administrative and cultural matters.

Furthermore, there have been set up recently, again outside the framework of the OAS, agencies or organizational plans, on a scale surpassing even the organizations which I have just mentioned. These are organizations or regional associations formed by some of the Latin American countries: the Latin American Free Trade Association, the Central American Common Market, the Andean Group and the River Plate Group. In addition, there is a plan for a common market of all Latin American countries, theoretically to be formed before 1985.

Canada has not remained indifferent to these developments. In 1961, a Canadian minister attended the meeting of the Inter-American Economic and Social Council as an observer. The Alliance for Progress was launched on this occasion and since that time a Canadian observer regularly has been sent to the Council's meetings and, more recently, to those of the Inter-American Cultural Council, which are held simultaneously. Both bodies are now meeting in Port-of-Spain,

with our Ambassadors to Mexico City and Buenos Aires heading the Canadian delegations. Since last year, the Canadian Government has also been sending an observer to some of the annual meetings of the Alliance's Executive Committee; during these meetings, the progress achieved by those members which are developing countries is reviewed. As I have already explained, Canada has been contributing to the operations of the Inter-American Development Bank since 1964. Moreover, our country belongs to some inter-American technical organizations; these bodies, which may be joined by countries that are not members of the OAS, are not all dependent on the OAS. They have rather varied interests -- for example, the operation of central banks, statistics, taxation methods, broadcasting, postal services and the continent's history and geography. There are also Canadians who participate, either individually or as members of groups, in the activities of several non-official inter-American organizations. Finally, the Canadian Government, through its embassies in Latin American countries, is following with a great deal of interest the evolution of the regional and intergovernmental groups, especially as they affect trade and economic development.

All this is obviously no more than a modest effort, carried out within a multilateral framework, toward more effective co-operation with the countries of Latin America. We could follow up this co-operation by becoming a member of the OAS.

From several points of view, the OAS is an admirable association. Of course, this Organization is not without its weaknesses. It seems to me that it has not always achieved its desired objectives nor always used the appropriate means according to the circumstances. It has done a great deal in the past to preserve the peace of the Hemisphere and to provide this region of the world with a stability and a cohesion which it would not have had otherwise. As the present time, the OAS is in a period of transition. The new charter still has to be ratified. The new Secretary-General, Mr. Galo Plaza, a most distinguished Latin American statesman, is most remarkable in his efforts.

It remains to be determined whether the Canadian Government will decide that the time is now favourable for applying to join the OAS, or whether it will feel that our country should first take suitable measures to effect closer relations with the countries of Latin America and to increase its knowledge of Latin American affairs before reaching a decision on the more fundamental issue.

Conclusion

In this review of the principal aspects of our relations with Latin America as they have existed in the past and as they exist in the present, I have also tried to give you some idea of the future of these relations as foreseen at the present time. To make this part of my remarks a bit clearer, I should like to recall what the Prime Minister said before the departure of the ministerial mission last year. He stated, among other things: "The Government considers our relations with the countries in this Hemisphere as being of high priority." Farther on, he added: "I am confident that this review (the review of policy then being undertaken) will demonstrate that there is real scope for strengthening Canada's relations with Latin America to the mutual advantage of both."

The review of policy toward Latin America is now well advanced. We in Government are grateful to those of you who have given us valuable advice, either through correspondence or by taking part in the seminar held in Scarborough, a few weeks ago, or otherwise. I hope that, if you have other ideas, you will not hesitate to let us know....

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/13

LATIN AMERICA AND CANADA - PARTNERS IN A HEMISPHERE

Excerpts from an Address by the Honorable Mitchell Sharp, Secretary of States for External Affairs, at the Inauguration Ceremony, Fourteenth Congress of the International Institute of Latin American Literature, Toronto, August 24, 1969.

For many reasons, it gave me great pleasure to accept your invitation to open this Fourteenth Congress on Latin American Literature. Diplomacy and literature may not always be closely associated in the public mind; yet their practice has been united with distinction by many diplomats, and not least by those of Latin America. I am happy to say that we have several notable instances in Canada as well. I should like to think of my presence here tonight as due, at least in part, to this happy and mutually fruitful relationship....

This is, of course, the first time your Institute has held its Congress in Canada. It is highly appropriate that it should do so at the present point in history. Canada and Latin America share a hemisphere, but until a very recent period they went their separate ways in almost total mutual indifference. A Canadian business community has been active in many countries of Latin America, and Canadian missionaries, both Protestant and Roman Catholic, have made a substantial contribution to the religious life of Latin America. Latin America was known in Canada as a source of tropical products and dance music. These contacts, though not to be despised, led, it is hardly necessary to say, to each side's having a limited, one-dimensional, picture of the character and capabilities of the other.

In recent years, however, this situation has begun to change. Modern communications and transport have brought Canada and the Latin American countries much closer to each other in time and space. Trade between the two has increased and continues to increase substantially, and has diversified into almost every major field. Canadians have begun to visit Latin America in significant numbers, and more and more Latin Americans, travelling for business and pleasure, have come to know Canada directly. Most striking of all, the study of Latin America as an area and of Spanish and Portuguese language and literature, for long almost entirely ignored by Canadian universities, is now under way on a major scale. Several Canadian universities now offer well-rounded programs of Latin American studies, and many more offer courses in the Ibero-American languages and literatures. Canadians have gone in small but increasing numbers to Latin America to study in Latin American universities, and I am glad to say that the University of Toronto, our host, has pioneered in bringing Latin American students

and scholars to Canada. This trend was, as it were, formally recognized only two months ago, when the Canadian Association of Latin American Studies, a new learned society uniting scholars wholly or partly devoted to the study of Latin America in several disciplines, was established.

This increased awareness of Latin America, and particularly of Latin American culture, is a source of great satisfaction to me personally. I have had occasion to spend considerable time in Brazil and to become acquainted with some of the major works of Brazilian literature. As anyone must be, I was impressed by that literature's individuality, depth, and range of subject. This Congress will certainly bring the wealth and variety of Latin American literature to the attention of the public in Canada, and in so doing it will have made a significant contribution to greater mutual understanding of the peoples of the hemisphere.

This increased Canadian awareness of Latin America, as many of you already know, has been reflected in the policy of the Canadian Government. In May 1968, a review of all the major areas of Canadian foreign policy was requested by the Prime Minister. One of these areas was Latin America. Since that time, a task force of the ministers and officials concerned with Canadian relations with the area has been actively engaged in an exchange of views with both Latin Americans and Canadians in many fields. A mission at ministerial level visited nine Latin American countries and held talks with Latin American political, economic and cultural leaders. The task force is now in the final stages of preparing a report to the Government. This report has not yet been received or discussed by the Cabinet, and I cannot, therefore, comment in detail on its recommendations here, even if time allowed me to do so. However, I am able to assure you that the cultural dimension of Canadian relations has been in the forefront of the task force's thinking from the very beginning of the review. We believe that this is an area in which Canada can benefit greatly from increased contacts, as well as one in which it has something to offer. I expect that the policy review will inaugurate a new and far more active era of cultural exchanges between Canada and Latin America, exchanges of scientific and academic personnel and in the performing and creative arts. It will not, of course, be possible to do everything at once, particularly in view of the financial limitations within which the Government must work at present. Nonetheless, a new course has been set for Canada in this field, and I hope that as many as possible of those of you present tonight will in due course participate in the programs we hope to set up.

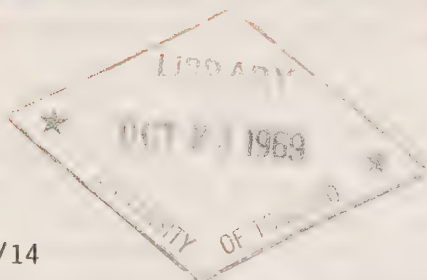
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CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/14

CANADIAN STATEMENT IN THE GENERAL DEBATE OF THE UNITED NATIONS

By the Secretary of State for External Affairs, the Honorable Mitchell Sharp, New York, September 29, 1969..

Madame President:

Twenty-four years ago your delegation to the first General Assembly was one of four from the continent of Africa. Today that number has increased nine-fold. In electing you to preside over the Assembly this year we acknowledge your personal contribution to the United Nations as well as the distinguished service your delegation has provided to us.

I should also like to join with those who have preceded me in this debate in paying tribute to our distinguished President of last year, Mr. Arenales. We remember him as a statesman who served his country and the United Nations faithfully and well.

As the United Nations approaches its twenty-fifth anniversary, it is faced with three imperatives: first, to avoid the scourge of global war and to contain and settle more limited conflicts; second, to speed the way to economic and social justice for the hundreds of millions of people who are now deprived of both; and third, to come to grips with the serious institutional problems facing the organization at this time. This morning I shall have something to say on each of these matters as they appear to the Canadian Government.

Of these imperatives the first two -- the prevention of war and the struggle to raise the standard of living -- are perhaps as old as mankind itself. The third, to strengthen and renew this organization, is new, and is peculiar to this time and this place. I choose, however, to deal with this question first, since Canada believes that the United Nations must fail to reach its goals if it cannot come to grips with its own problems. It is hard indeed to build something of value, something that will stand, if your tools are blunted and ill-designed for the purpose.

In addressing myself to this question, Madame President, I should like it to be absolutely clear that the criticisms I have to make and the remedies I shall suggest come from an active and loyal member of the family of nations represented here. Canada has shown its confidence in this organization by its wholehearted participation in all aspects of the work of the United Nations. We could not conceive of a world in which the United Nations did not have a central and vital role to play.

The institutional problems facing this organization are difficult in themselves. They are compounded by the fact that, because of their intractability, there is something like a tacit conspiracy, in which we have all joined, to pretend they don't exist. The situation might be compared to the cumulative effect of pollution in a lake or the action of the sea on the foundations of Venice; failing vigorous corrective measures, a slow but certain process of destruction is going on all the time. If we do not act, there is a very real danger that the United Nations, instead of fulfilling its high purpose as a center for harmonizing the actions of nations in the achievement of the objectives set out in the Charter, will become a sideshow on the international scene, its activities brushed aside as irrelevant.

There are three areas in which remedial action is imperative:

First: The UN (including all its organs and associated agencies) is drowning in a sea of words (to which I am contributing this morning). Talk is of the essence at the United Nations, but to be useful it must be kept within reasonable bounds. As we all know, this is not being done. The number of conferences and meetings, and the paper they produce, have increased to the point that even those members with the largest resources have difficulty in providing competent representation and coping with the flood of paper. As the conference-load increases there has been a corresponding decrease in effectiveness. This has led governments to attach less importance to the United Nations' activities and efforts. The credibility of the UN as a negotiating forum and as an instrument for resolving the world's problems is wasting away. Public confidence in the organization is being weakened and public support is being undermined.

We can and should act to arrest this process by identifying priorities and dealing with them in an effective and businesslike way. We must also find the new techniques needed to deal with the problem of the unwieldy size of UN committees and boards, particularly those responsible for UN action programs in the all-important field of development. Some of these boards are almost as large as the UN itself was not so many years ago, and have proved ill-suited to fulfill the purposes for which they were created.

I urge these measures because I believe they are essential to the future progress of the organization. At the same time, we should acknowledge that such remedial action can only deal with the symptoms rather than the disease itself. Member nations, locked in outdated conceptions of sovereignty and national interest, find debate to be a convenient substitute for action. So long as this attitude persists, the United Nations cannot hope to fulfill the aspirations of its founders.

Second: Even with the benefit of nearly a quarter-century of experience, we don't seem to have learned the lesson that confrontation between nations is no substitute for negotiation. During the past few years there has been mounting evidence that the great powers have recognized the sterility of cold-war policies, but we have yet to see this realization translated into effective action. There is also the practice, which has become so common that it is taken for granted, of forcing the Assembly to vote on resolutions that attempt to translate moral judgments into calls for action which the organization manifestly has not the capacity, or, in some cases, the legal authority, to carry out. Resolutions of this kind only hurt the cause they purport to serve.

Third: The programs and activities carried out by the UN family of organizations have multiplied during the last ten years. During that period, the total of the assessed budgets has more than doubled and, if the present growth-rate were to continue, would reach half a billion dollars by 1974. The absence of effective control of budget expansion has meant that priorities have become blurred. Programs have been carried on long after they have ceased to be relevant to needs. Personnel with inadequate qualifications or capacities have been recruited and kept on rather than weeded out, and as a result the quality of the work of the organization has deteriorated.

The cure for this illness is a period of consolidation of existing activities before striking out in too many new directions. Action of this kind will enable us to take best advantage of the useful advice that will be forthcoming in the report of the Enlarged Committee on Program and Co-ordination and in Sir Robert Jackson's study on the capacity of UN agencies to administer development assistance programs.

I feel that I must express in the strongest terms my conviction that continued failure to deal effectively with these institutional problems has already begun to erode the foundations of the United Nations as a cathedral of hope for the aspirations of mankind. Powerful and wealthy nations may be able to contemplate this process with only a modicum of concern. For most member nations represented here, however, such a prospect is intolerable.

Madame President, you are known to all of us for your personal devotion to the United Nations as well as for being the distinguished representative of a charter member which has contributed much to the organization. What I have just said shows that we share the views, expressed so cogently in your speech, about the future of this institution and what member states must do about it. For these reasons, may I express the hope that in fulfilling your high office as President of this Assembly, you, and the officers elected to assist you, will accept as a challenge to your leadership the urgent need to launch a vigorous program of renewal? The new shoe of restraint and self-discipline will be bound to pinch for a time, but the resources saved can be used for constructive purposes. I am sure I speak for many delegations as well as my own when I pledge to do everything possible to assist you in this task.

I make this appeal today, Madame President, because it offers the only avenue for a renewed United Nations, with a more streamlined and effective structure, where member nations will seek solutions rather than empty propaganda victories, a United Nations that will be more truly representative of the aspirations of mankind. Such a revitalized organization would be better able to come to grips with its great dual task -- to keep the peace and to improve the conditions of life on earth.

To keep the peace. This is the primary purpose of the United Nations.

The supreme challenge is to find something better than the balance of mutual fear and deterrence on which the present uneasy structure of global security rests. The new weapons now in the final stages of development in the Soviet Union and the United States give a new urgency to this task. Unless the world seizes this moment to stop the upward spiral in arms-race technology, we run a very real risk of a breakdown in the equilibrium of deterrence that now provides what security we have.

I should like to say here, Madame President, that Canada regards the strategic arms limitations talks that the U.S.S.R. and the United States have agreed to hold as the most significant development in recent years. We urge both parties to begin at once. If the talks are entered upon in good faith, with goodwill and without delay, they could prove to be a turning-point in world history.

At the last session of the General Assembly, Canada joined most members of the United Nations in welcoming the achievement of a treaty on the non-proliferation of nuclear weapons. We were the first nation with nuclear capacity to ratify this treaty. What the treaty contains is important enough, but its promises are at least equally significant. None of the provisions of the NPT is more vital than Article VI, in which all parties to the treaty -- and this applies particularly to the nuclear powers -- agree "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear-arms race at an early date and to nuclear disarmament".

Should we be discouraged by the slow rate of progress or by the fact that, although some 90 countries signed the non-proliferation treaty, only 17 have deposited the necessary instruments of ratification? I think not. One cannot afford to be discouraged when the survival of mankind itself is at stake. We look forward to this treaty coming into force this year, and we urge its early ratification by all governments that have not yet done so.

One of the most encouraging events in the field of arms control in recent days has been the coming into force of the treaty creating the Latin-American Nuclear-Free Zone, and Canada wishes to express its congratulations to the Latin American countries responsible for this very positive step.

Of all the arms-control issues that have tried the patience of the world in recent years, the most onerous has been the effort to conclude a comprehensive test ban to supplement the 1963 prohibition of nuclear tests in the atmosphere, under water and in outer space. The endless argument is continuing -- over whether "on-site" inspection is necessary in order to verify violations of an agreement to prohibit underground tests or whether national means of seismological

detection are adequate for this purpose. At the last General Assembly, a resolution was adopted calling for the highest priority to be assigned to effective measures to limit the nuclear-arms race and to achieve nuclear disarmament. In the hope that a step forward could be made toward overcoming the verification problem, Canada proposed in the Conference of the Committee on Disarmament at Geneva that an international system of seismic-data collection should be explored through enquiries to all member states seeking information about the facilities at their disposal and their willingness to make information freely available to all nations. This proposal will be pursued in this Assembly.

The sea-bed and the deep ocean-floor are the last earthly frontiers. The last General Assembly decided that this new environment beyond the present limits of national jurisdiction must be preserved for peaceful purposes. Canada, as a country with one of the longest coast-lines in the world, has a vital interest in the fulfilment of that decision. Consequently, when the arms-control aspects of this question were considered by the Committee in Geneva, we put forward specific suggestions designed to ensure the protection of the interests of coastal states and smaller countries. We were particularly concerned to safeguard these interests through adequate verification provisions to assure compliance with any arms-control treaty on the sea-bed.

The results of the deliberations of the Standing Committee on the Sea-bed and the Disarmament Committee discussions of this question in Geneva are not all that we had hoped would be achieved. We shall, nevertheless, continue to co-operate actively as a member of the Standing Committee on the Sea-bed and as a member of the Geneva Disarmament Committee in efforts to achieve the two main purposes of the United Nations on these questions -- to develop an effective legal regime for the sea-bed and ocean-floor beyond the limits of national jurisdiction and to ensure the preservation, for peaceful purposes, of the largest possible area of the sea-bed.

I turn now to that other menace to the survival of the human race -- chemical and biological warfare. The Secretary-General's report has told us once again -- if we needed to be told -- the tragic consequence of using these dreadful weapons. At this Assembly we shall be considering proposals to eliminate them.

We recognize the valuable contribution represented by the draft treaty on biological warfare prepared by Britain and tabled in the Conference of the Committee on Disarmament. The Secretary-General's report, together with proposals advanced in Geneva and the draft convention put forward in this Assembly by the Soviet Union, will help to guide and facilitate our deliberations. The procedural resolution Canada sponsored, and which we hope will be included in the report of the Conference of the Committee on Disarmament, is directed to the same ends.

Let us remember, too, Madame President, that the founders of the United Nations provided in the Charter procedures for the pacific settlement of disputes designed to stop the insane pattern of fighting and bloodshed which disfigures our globe from time to time, and today particularly in Vietnam, the Middle East and Nigeria. It is a sad commentary on the state of the world community that it has no capacity to order the cessation of hostilities, except to the extent that the combatants are influenced by world public opinion. The current tense situation

in the Middle East perhaps illustrates most graphically the nature of our dilemma. The Security Council unanimously adopted in November 1967 a resolution which imposed an equitable balance of obligation on all the parties to the dispute. Its full implementation could have restored peace to the Middle East. Yet today the conflict continues to rage.

We can do more, I am convinced, to improve the machinery to head off disputes before they erupt into open warfare. This is why Canada is urging forward the peacekeeping studies being carried on in the Committee of 33. In a working group of that Committee, a concerted effort has been made during the past year to develop a "model" for the conduct of military observation missions authorized by the Security Council. As a participant in this study, we have been encouraged by what has been accomplished, but at the same time we are disappointed that the possibilities for much greater progress have not been realized. Once the model for an observation mission has been completed, the working group should go on to develop models for other kinds of peacekeeping operations.

These are difficult problems, with political, legal and financial implications. Perhaps, as a representative of a country with a certain experience in peacekeeping operations, I might offer a comment. It is essential that these problems should be given urgent consideration. There are many real risks in dispatching peacekeeping forces in moments of crisis without having worked out the necessary arrangements in advance. (Our experience with peacekeeping forces reinforces that conclusion.) The Committee of 33 have been helpful in drawing attention to the questions that must be answered. They have been less successful in providing the answer. Meanwhile, Canada is continuing, in the face of discouragingly slow political progress in Cyprus, to participate in the peacekeeping operation there, as well as in the United Nations peace -- observation missions in Palestine and Kashmir.

Madame President, there is so much to be done to ease the suffering and misery of the innocent civilians who get caught up in the vortex of war. It was for this reason that Canada joined with Norway at the recent Red Cross Conference in Istanbul in urging the adoption of a declaration of principles on international humanitarian relief to civilian populations in disaster areas. Two other related resolutions, also co-sponsored by Canada, were adopted at the Conference. One of these resolutions established a committee to devise workable rules to supplement existing humanitarian law. The other resolution focused the attention of this new committee on non-international armed conflicts.

The Canadian Government has lent its full support to efforts by the Red Cross to go further than has heretofore proven possible to build a system of legal as well as moral standards of humanitarian behavior. We are extremely gratified at the success achieved at the Red Cross Conference and we pledge to do our utmost to follow up the Conference decisions with specific action.

The second great goal of the United Nations is to bring economic and social justice to the world by providing an opportunity for the developing countries to escape the treadmill of poverty on which so many are trapped. If we can liberate the creative and productive powers of the untold numbers of men and women whose energies are now bound up in the struggle to exist, the future horizons of mankind are immensely enlarged. There are many who say that such a goal is utopian. I say that the words of the United Nations Charter are testimony that for a generation the world's leaders have believed that it is attainable.

Let us be in no doubt about it -- a great deal is being done. Development assistance has reached record levels and developing nations are becoming increasingly skillful at shaping and implementing plans for economic and social advancement. The economic indicators show that the poor nations are making some headway in their struggle to break the shackles of poverty.

What is being done does not yet match the need and some recent trends give cause for serious concern. Although the volume of assistance has grown substantially during the past decade, continued growth is threatened by economic difficulties and, to some extent, by disenchantment in some key developed countries. In recent years, the terms on which assistance is granted have shown a marked tendency to harden. For many developing countries the growing burden of debt service is eating away at foreign-exchange earnings already eroded by falling prices for many of their traditional exports, and by barriers to their access to markets.

It is for this reason that the study being undertaken by the World Bank's Commission on International Development, headed by a former Prime Minister of Canada, Mr. L.B. Pearson, and Sir Robert Jackson's study of the capacity of the development machinery of the United Nations are so important and so timely. Their reports will provide new insights into the strength and weaknesses of past policies and procedures, and their recommendations will provide the basis for more effective international action in the future.

Never before has there been such a concerted assault by mankind on poverty and restricted opportunity. Yet even greater efforts are required to broaden the base of public support throughout the world for the cause of international development in the Second Development Decade.

Setting guide-lines and targets is only a beginning. Success or failure will ultimately depend on the determination of us all, the developed and developing countries and the international institutions, as together we come to grips with specific development projects.

Let me relate these considerations to Canadian policy. It is our declared national objective to improve the lot of the poor and under-privileged through development and trade. The level of the Canadian development-assistance program has increased very substantially in recent years and, despite the application of budgetary restraints to high-priority domestic programs, it will continue to grow.

Moreover, we are making a determined effort to improve the quality of our development assistance and our capacity to administer the larger program that we envisage for the future. Our experience has convinced us that development is hindered as much by a lack of knowledge, or a failure to apply the knowledge already available, as by inadequate resources. At this particular moment in time, the knowledge gap is even more critical than the resource gap. As a contribution to meeting this need, we expect to introduce legislation in the forthcoming session of the Canadian Parliament to provide for the establishment of a Canadian International Development Research Center.

The goal of this Center will be to devise and develop new ways to apply science and technology and the latest techniques of analysis to overcoming the very subtle combinations of political, economic and social factors that hinder the process of development. Although the direction and operation of the Center will be a Canadian responsibility, it is intended to enlist the aid of experts and scholars from all parts of the world.

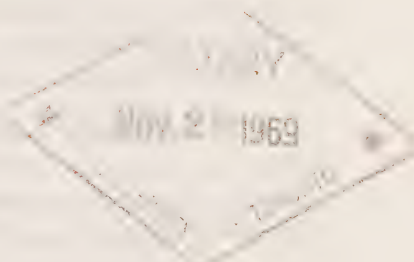
To keep the peace and to improve the conditions of life on earth -- these are tasks that call for all that is best in us. They will be fulfilled if we can lift our eyes from the narrow concerns of transient political advantage and national self-interest to a broader horizon that encompasses the whole family of man. We are all bound up together. It is together that we must learn to live in peace; it is together that we must apply all our resources to the betterment of the human condition. The United Nations can be the supreme instrument for the achievement of these great tasks. It can also become no more than a monument to man's lost hopes and lost opportunities. It is the member nations that will determine what course this organization will follow, and like you, Madame President, we have faith.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/15

CANADA ADOPTS A NEW DEFENCE POSTURE

Statement by the Honorable Léo Cadieux,
Minister of National Defence, September
19, 1969.

To set the scene for the statement I am about to make, I would refer you to two previous statements: the Prime Minister's on April 3 and my statement in the House of Commons on June 23. In these statements the rationale for changes in Canada's defence posture is set out with the roles for the forces stated as follows:

- (a) The surveillance of our territory and coastlines, i.e., the protection of our sovereignty;
- (b) the defence of North America in co-operation with United States forces;
- (c) the fulfilment of such NATO commitments as may be agreed upon; and
- (d) the performance of such international peacekeeping roles as we may from time to time assume.

The Government, as you will recall, has undertaken to re-structure our forces over a period of time so that the equipment and training for the above roles at home and abroad will be compatible. As I informed the House at the beginning of June, we believe, barring unexpected international developments, that we can achieve the transition within a defence budget which will be maintained for the next three years at its current dollar level of \$1.815 billion per annum.

It is against this background that I shall now enlarge on the outline force structure contained in my June 23 statement, which forecast the changes necessary to give substance to the Government policy on defence. There are still some consequential decisions to be made but, by and large, the forthcoming shape of the Canadian Armed Forces can now be enunciated.

The force I am about to describe is considered by my military advisers to be a viable force capable of meeting the tasks set by the Government.

Extensive consultations have taken place in NATO over the past three months in fulfilment of the Government's undertaking to take account of the views of its allies in bringing about the planned and phased reduction of the size of the Canadian forces in Europe.

During these consultations, Canada has reaffirmed its intention to meet, in a responsible manner, its collective security obligations under the North Atlantic Treaty and to continue to play an active and constructive role in support of the values we share with our allies.

Certain details remain to be worked out before firm commitments for 1970 are made by NATO governments at the annual ministerial meeting in December, but the general makeup and roles of the Canadian forces for NATO can now be given. I can now also outline the changes being made to our forces in Canada.

NATO - Europe

First, I shall deal with our NATO commitment in Europe. We plan to phase out our brigade group and our air division in Germany by the fall of 1970, when we will establish co-located land and air elements under one Canadian headquarters. These will be in southern Germany on our present air division bases at Lahr and Baden Solingen, and will be interim forces for the next three years. They will use present equipment and will have a combined total strength of approximately 5,000 personnel. The Supreme Allied Commander Europe has assured me that this provides a structure which will allow Canadian forces to continue to fulfill in Europe a meaningful, though reduced, role.

The land force will be a mechanized battle group of approximately 2,800 personnel with an operational role in the Central Army Group area. The air element will be a group of three squadrons of CF-104s, one in the reconnaissance and two in the strike role. The air group will remain under operational command of the 4th Allied Tactical Air Force. The brigade in Germany will drop the Honest John nuclear role when it is re-configured next year and the nuclear strike role for the air element will continue only until January 1972.

As I said, these are interim forces. For the post-1972 period we plan to equip a land element in Europe, of approximately the same size as the interim group, as a light "airmobile" force and to convert the air element to a conventionally-armed ground support or reconnaissance role.

We shall continue to retain the commitment to provide from the forces in Canada an air-sea transportable brigade group to reinforce the NATO northern flank in an emergency. This brigade group will contain the battalion group which is on standby in Canada as an "airportable" force for the Allied Command Europe Mobile Force (Land). Our similar commitment of a battalion group to NATO's southern flank will be discontinued in 1970.

Maritime Command

Turning now to our NATO maritime commitment, we shall continue to earmark virtually all of our Atlantic operational maritime forces for assignment to the NATO Supreme Allied Commander Atlantic (SACLANT) in the event of an emergency.

We shall take out of commission the carrier Bonaventure and the escort maintenance ship Cape Scott in 1970. We shall retain most of the Tracker aircraft from the carrier for land based operations until 1973. We shall retain the Cape Scott as an "alongside" workshop and accommodation facility in the dockyard in Halifax for the foreseeable future and we shall dispose of the Bonaventure as surplus.

Plans are continuing for bringing into service our second new operational-support ship and the four helicopter-destroyers now being built. The manning of three existing destroyer escorts will be reduced to training levels over the next two years.

We shall retain our Argus long-range patrol aircraft and increase their role in the Arctic, while continuing their mid-ocean surveillance duties. We shall employ our Tracker aircraft from shore bases on a coastal surveillance role until they are disposed of in 1973. We plan to replace the Argus after 1973.

Mobile Command

Mobile Command forces in Canada will remain at approximately their present level but will be re-structured in 1970 from four combat groups to three (with headquarters in Calgary, Petawawa and Valcartier) and we shall form a task force headquarters, initially at Gagetown (present location of the fourth combat group headquarters), for subsequent location in the Far North.

The Airborne Regiment is being retained and will have three Commandos instead of the present two. The third Commando is being formed in the battle group in Europe, where it will share infantry duties with the 1st Battalion, Royal 22nd Regiment.

Infantry battalions in the combat groups will again have their normal four companies, rather than the present three. We are re-equipping our artillery and armored regiments in the combat groups with the "airportable" artillery and "airportable" armored vehicles. Some heavy mechanized equipment is being retained at Gagetown as training support for our interim land force in Europe.

We shall move the Combat Arms School from Borden to Gagetown and we shall move the Artillery School from Shilo to Gagetown, where it will become part of the Combat Arms School.

As part of the re-configuration in Europe in 1970, we shall return the 2nd Battalion, Princess Patricia's Canadian Light Infantry, to Canada and station them at Shilo and return the 2nd Battalion, The Royal Canadian Regiment, and station them at Gagetown.

We are budgeting over the next few years for some 2,500 new 1½-ton trucks to modernize our land-force vehicle fleet and have recently signed a contract for 50 Bell Utility Tactical Transport Helicopters (UTTH) to be used primarily in Mobile Command. These twin-engine helicopters will be powered by Canadian-built engines from United Aircraft of Canada. Delivery will begin in 1971.

A decision to revert to a nine-battalion, three-regiment infantry structure was based on military advice following the experience of recent years which convinced infantry corps officers that regiments of one, or even two, battalions posed serious career, manning and morale problems related to the necessity for frequent cross-postings. Consequently, it was decided to retain the three infantry regiments with the longest history of regular force service: The Royal Canadian Regiment, the Princess Patricia's Canadian Light Infantry and the Royal 22nd Regiment.

As a consequence, and regrettably, the following well-known Canadian infantry regiments will no longer form part of the regular force: The Canadian Guards, The Queen's Own Rifles of Canada and The Black Watch (Royal Highland Regiment) of Canada.

The 2nd Battalion, The Canadian Guards, will be redesignated as the 3rd Battalion, The Royal Canadian Regiment, and the 1st Battalion, The Queen's Own Rifles of Canada, will be redesignated as the 3rd Battalion, Princess Patricia's Canadian Light Infantry.

In our force re-structuring, it was also found necessary to remove one artillery and one armored regiment from the regular force. Using the seniority principle, but retaining two recently organized francophone regiments, we have decided that the Fort Garry Horse and the 4th Regiment, The Royal Canadian Horse Artillery, will no longer appear in the regular force order of battle.

Members of the Fort Garry Horse, the Black Watch and 4 RCHA will be transferred to other units as individuals frequently remaining on the same base. For example, members of the Black Watch will be absorbed into the 2nd Bn, RCR, when the unit moves to Gagetown.

Air Defence Command

We are continuing close consultations with our U.S. allies on the question of the immediate and future structure of North American air defence forces. The Canadian air defence forces will remain much as they are for the present.

Air Transport Command

Air Transport Command's long-range Yukon fleet will be reduced from 12 to four by 1973. The nine Cosmopolitans now in that command will be transferred to Training Command in 1972 for a new role. We shall retain our 23 Hercules troop and cargo aircraft but shall reduce Transport Command's Dakota fleet by approximately 15 during 1970. We are continuing our studies for the requirement for a long-range jet transport to replace the Yukons.

Search and Rescue

Search and rescue continues to be an important part of our activities. We shall maintain our present number of rescue-co-ordination centers and, over the next two or three years, improve our aviation capability in this field, although slightly reducing the numbers of aircraft. This will be done by converting six of our Buffalo aircraft to this role and purchasing six new STOL aircraft capable of operating off land, water or snow. We shall retire

our Albatross aircraft and search-and-rescue Dakotas as the new aircraft come into service. We shall also make some adjustments to our present helicopter distribution.

Training Command

Training Command will reflect the reduced size of the forces. The Dakota navigation trainer (23 aircraft) will be retired in 1972 and replaced with the Cosmopolitans from Air Transport Command. During 1970, our Tutor and T33 trainer fleet in this command will be reduced. We shall retire the C-45 Expediter trainer (53 aircraft) also during 1970.

Reserves and Cadets

We intend to reduce the size of our reserve forces and we are consulting with the Conference of Defence Associations on how we can make the most effective use of a smaller reserve force in support of our revised regular force. I should stress, however, that the reserves will continue to play a significant role in our defence structure.

Our support for the cadet program will continue at the present level of 100,000 cadets.

Base Closures

Some weeks ago, I announced the closing of a number of bases and facilities. At that time, I said a further announcement regarding a small number of other bases would be forthcoming. This is still the case. Final decisions have not yet been made on these bases, but I expect to be able to make an announcement in a few weeks' time.

Personnel

To operate the re-configured force I have just described, we shall require approximately 82,000 military personnel and 30,000 civilians. This will mean a reduction of something in the order of 16,000 military and 5,000 civilian positions over the next three years. I previously announced that we should not institute a plan of forced attrition of military personnel for the purpose of reaching the new force levels. This is still our intention, and, in fact, we shall continue recruiting at a reduced but still substantial level. A determined effort will be made to assist civilian personnel in finding new employment either in or out of the public service.

National Development

The Defence Department is vitally interested in, and is contributing to, Government studies now going on concerning use of the forces in the field of national development. Particularly, we are interested in such subjects as government maritime operations, government air transport activities, engineering development and international economic aid. The Department has traditionally been in the forefront of national development and can be expected to contribute significantly in the future.

keep up with rapid changes in the international community. In this environment, there is no way for Canada to creep under the friendly umbrella held up by the United States, there to be sheltered from the worst of the weather. Bombarded by domestic and international forces that we cannot control, we must find our own place to stand, and stand there as best we can. We do not stand alone; we stand next to the United States, our closest friend and ally, but in our own place, in our own way.

It is to come to terms with these new forces that Canada has been reviewing its foreign and defence policies. Some observers at home and abroad are suggesting that the process is taking too long. I don't think so. It isn't an easy process and it isn't a process that can be hurried. As always happens in these circumstances, the process of review itself is having effects on the development of our foreign policy. What we are seeing and what we shall see is not so much change of direction as enlargement of interest; not withdrawal, but diversification. Our relations with you will continue to be of first importance. After an exhaustive study, we have re-affirmed our strong support for the NATO alliance and remain as a full member. It is true that we are reducing our component in the NATO forces stationed in Europe. This represents our new assessment of the realities of the situation in Europe and in Canada and, in the end, our appreciation of our own priorities and national interests. We are not "bugging-out" of NATO or retreating into isolationism or continentalism. Our approach to the Peking Government is perhaps the most visible and dramatic evidence of enlargement. Less obvious and less exciting, but just as important, are our new initiatives in francophone Africa, our growing contacts with Japan and other countries in Asia, our new approach to the Latin American countries, our developing dialogue with the Eastern European powers and the steady increase in our aid to developing countries.

This is quite a catalogue for a middle power, and it is by no means exhaustive. Looking, on the one hand, at our global sphere of activity (like the United States, Canada is at once an Atlantic, Pacific, Arctic and American nation) and, on the other, at our limited resources, it is not surprising that we turn to the multilateral institutions as a means whereby we hope to foster our objectives. We look, for example, to NATO to help maintain the precarious balance upon which global security rests and as an instrument to further the détente that must come if our common security is to be more surely based.

Above all we have looked to the United Nations. In my speech in the general debate at the current Assembly, I expressed as frankly and as cogently as I could the profound uneasiness Canada feels about the present and future effectiveness of the organization. The speech seems to have touched a sensitive nerve, since it has been referred to and reinforced by subsequent speakers in the debate. The United Nations must strengthen and renew itself if it is to deal with the problems of the present and the future, if it is to keep the peace and improve the conditions of life on earth. It is the member nations that will determine whether or not this is to be done. Canada is now engaged in setting out some of the practical steps that can be taken to overcome the weaknesses and difficulties besetting the organization. I made plain to the General Assembly that Canada makes its criticisms as a loyal member of the United Nations and that our faith in the capacity of the organization to renew itself is unimpaired.

There is a tendency in my country to equate an independent foreign policy for Canada with a policy at variance with that of the United States - by some, indeed, as a policy opposed to that of the United States. Similarly, I have observed in the United States a tendency to feel disappointed when Canadian foreign policy on a specific issue differs from yours, as though your best friend had let you down. May I suggest that these are superficial views?

As Canadians, we run the risk of confusing difference from the United States with independence. In the United States, you may run the risk of looking upon our genuine independence as lack of sympathy with or understanding of the responsibilities of a super-power.

Canada has no pretensions to world power or influence. We strive to live within our resources and to use those limited resources to advance the interests we hold in high esteem, the most important being world peace and development. At the moment, we are reassessing our role and redefining our objectives.

So is the United States, if I read the signs right. The review of your foreign policy may not be quite so explicitly undertaken as is ours, but the reasons are much the same. The world is changing; the United States and Canada are changing with it. These changes have to be assessed in order to determine how our countries can best pursue their natural interests in the years to come. I shall not be surprised if our respective foreign policies tend in the future, as in the past, to complement one another, notably in pursuit of world peace and development.

ments. Britain, on the other hand, is a nation whose economic and military strength has undergone a relative decline. But British political influence is still very significant. We have other states militarily very strong in relation to their economic capacity and their political influence. Israel is an interesting example. The circumstances of that country's recent history have compelled it to devote an extremely high proportion of its resources to military purposes in order to survive.

In Israel we also have an example of another dimension to the whole question of the "power" of modern states - the geographical dimension. A nation may play an important part in some region of the world because of its capacity in one or more of the three areas I mentioned a moment ago, but its effective influence may not extend much beyond the region. Israel's military capacity relative to its neighbors is obviously very high and for this, as well as for other reasons, Israel is a key country in the Middle East. On the other hand, in terms of its size and population, Israel must be considered as a small country, measured on the world scale.

Looking at the world today in the light of the variables I have referred to, it appears that there are really only two great powers - the United States and the U.S.S.R. They are the only countries which are at the same time immensely strong in economic, military and political terms and have the capacity to exert their strength all over the world. They alone - at least in the immediate future - have the supreme ability to exchange intercontinental nuclear annihilation. It is probably more accurate to refer to the United States and the Soviet Union as "super-powers".

I doubt that there is much point in attempting to classify those nations which are not super-powers. The fact of the matter is that the vast majority of countries have the capacity to exert some influence on the international scene, either in their own geographical area or in the world in general, or in one functional field or another, and therefore they fall into an indeterminate classification. We are nearly all middle powers, apart from the two giants at the one end and, at the other, a certain number of very small states which are not capable of exerting influence to any significant degree.

The capacity of the super-powers to affect the destiny of other nations is so great that middle powers must clearly be vitally concerned about the policies of the U.S.A. and the U.S.S.R. Middle powers have a right and a duty to seek to influence the actions of the super-powers. This influence is likely to be more effective if middle powers can find ways to act collectively. Indeed, it might be taken as a general rule for middle and small powers that they can be most effective in almost every field of international activity if they act together.

Sometimes a middle power may be able to play a special role in a situation where the super-powers, locked in contest for world-wide influence, dare not make a move. Such cases are rare, however, and their importance should not be exaggerated. Canada's initiative over the Suez affair in 1956 is sometimes cited as an example of this role for a middle power, but there were very special circumstances at that time.

I have arrived by this somewhat circuitous route at the acknowledgment that Canada is probably a "middle power", however we define that term. We have become a nation with significant economic weight. We have a population of 21 million and a gross national product approaching \$70 billion, and our economy is growing at a steady rate. We offer a market of considerable proportions for the products of other countries. In a number of products we are one of the leading producers and exporters. We have resources that are attractive to capital from outside our own country. We have a prosperous economy that enables us to make a substantial contribution to international activities and development. In short, we are an economic power.

We also have an appreciable military capacity. It is not great in terms of the super-powers, but our forces are well-trained professionals, volunteers, not conscripts. They are equipped with modern weapons and capable of very effective employment in selective situations.

Canada also has a considerable capacity for political and diplomatic influence. We are a respected country in most parts of the world and in the United Nations and other international organizations. This is, perhaps, because we have no history of domination over other lands and no historic grievances to trouble our relations with other peoples.

The last few years have seen profound changes in Canada's orientation towards the rest of the world. Traditionally, Canada's external relations have been focused on the United States and Western Europe, for reasons that are obvious in terms of Canada's historical national interests. The changes that have come about reflect changes that are taking place in Canada as much as changes that are taking place in the international environment. In the last decade, there has been a tremendous surge of social dynamism in Canada's French-speaking community and particularly in the Province of Quebec. This was long overdue and has not come about without putting great strain on national unity. The effects of this new force in Canadian political life have not yet been absorbed. I don't think they ever will be or should be. For too long, Canada, with one-third of its population linguistically and culturally French, and another third of varying origin, has presented a predominately Anglo-Saxon face to the international community.

The second great influence for change in Canada affects your country as well. It is the attitude of the rising generation. My generation in Canada was brought up with a clear perception of the United States and of our roots in Western Europe; the rest of the world existed in a kind of mist, we knew it was there, we contributed our pennies to send missionaries to the heathen. The new generation, brought up to be at home in the new age of instantaneous communications, sees the whole world in sharp focus. They seem to share Henry Ford's view that "history is bunk". Historical perspective appears to have little meaning for them; they see things in terms of the present. Disregarding the historical perspective, they seem to have little faith in the future. Action now is what they call for. Governments all over the world are feeling the effects of these new attitudes - nowhere more than in Canada, with more than 65 per cent of its population under the age of 35.

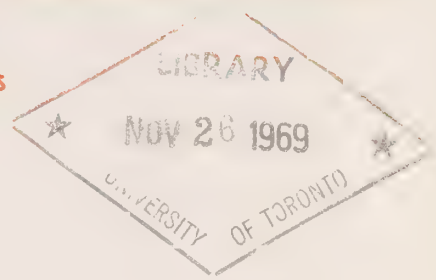
It isn't an easy time for governments, and it isn't an easy time for foreign ministers. In the democratic countries, governments must take into account new attitudes at home and try to come to terms with them in shaping foreign as well as domestic policy. Democratic or not, governments must try to

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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 69/16

CANADA - A MIDDLE POWER IN A CHANGING WORLD

An Address by the Honorable Mitchell Sharp,
Secretary of State for External Affairs, to
the Council on Foreign Affairs, New York,
October 20, 1969.

When Canada's Prime Minister, Pierre Elliot Trudeau, addressed the National Press Club in Washington earlier this year, he said that Canada is rather in the position of someone sharing a bed with an elephant; however well-disposed the beast is, every twitch and grunt affects you. His colorful language exactly describes the situation between our two countries. When your President addresses the nation on television, our networks carry the program as a matter of course. This isn't just a friendly gesture to a neighbor; it isn't just because Canadians take a neighborly interest in American affairs; it is because everything the United States does and everything your President says is of direct and immediate importance to us and, for that matter, to every country on earth.

Nothing is in itself more important to Canada than our relation with the United States. It is probably the closest and most complex relation existing between any two nations. It covers the whole spectrum of affairs, from the maintenance of jointly-owned border monuments to the orderly development and effective defence of the North American continent. As Canada's Foreign Minister, I am also very aware of your country's position as leader of the Western nations and as a preponderant influence in the world as a whole. Canada is a sovereign nation and acts as such. It is also, we like to think, a pragmatic and realistic nation. We pursue a foreign policy designed to promote our own national interest, but we know that in the development of every aspect of our foreign policy the foreign policy objectives, initiatives and activities of the United States must be taken into account.

Canada is actively carrying on negotiations in Stockholm aimed at an exchange of diplomats between Ottawa and Peking. How these negotiations will end remains to be seen. I mention them here only by way of example. In this particular case, the views of my Government are at variance with the views of yours but that doesn't mean that we failed to take the United States position into account. Exchanges between our governments on this subject have been - to

use a phrase the Soviets like - frank and comradely. The important thing is that, after considering your position carefully, we followed the course that we believe serves our national interest and that your Government, despite its preponderant power and its reservations as to the course we are following, has respected our right to pursue that course.

The Communist world, and indeed other countries that know better, like to refer to Canada as a satellite of the United States. This suits their purpose. When Prague dared to differ ideologically with Moscow, it encountered the mailed fist of Soviet armed might and Czechoslovakia's satellite status was affirmed before the whole world. When Ottawa and Washington differ, there is straight talk - and so there should be - but the principle of sovereignty is honored in the spirit as well as the letter of the law.

Canada's right to differ from the United States is important - perhaps more to us than to you. But I don't want to dwell on it any further. More important is that Canada and the United States share the same great national objectives and the same hopes for mankind. Where we shall often differ is in the means by which each of our countries works toward the fulfilment of these objectives and these hopes.

The title of my address suggests that Canada accepts its role as a "middle" power. I use the term because it is in general currency. I am not sure, however, that it has much real meaning in today's world.

There is a faintly old-fashioned ring about classifying countries as great, middle or small powers. In the nineteenth century, nations were ranked by the size of their fleets and there were only five or six "great powers". They were the ones with battleships. Now the battleships have gone and so has the whole order that they symbolized. One of the really striking developments on the world scene in the past 25 years is the advent of vastly greater numbers of independent states. It is very much more difficult, if not impossible, to classify them as great, middle or small powers.

The conception of degrees of "power" remains. It is still true that nations have varying capacities to influence the course of events outside their own borders. None of us is completely independent. The actions of every nation impinge increasingly on the others, and not even the greatest powers can entirely disregard the interplay of national decisions.

The capacity of a state to influence other states rests fundamentally on three factors: economic capacity; military strength and political influence.

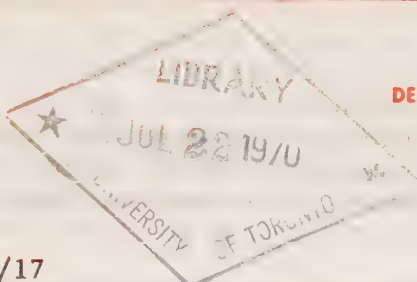
No nation can be considered a power of consequence unless it has a measure of capacity in all three. Nevertheless, a nation can place great emphasis on one sphere of activity and much less on the others. It is also possible for a country to be compelled by circumstances to rely heavily on one source of national strength.

There are cases of nations which have considerable economic capacity but have chosen not to acquire or to employ military strength. Postwar Japan is an economic power of major proportions which has decided to maintain only modest military forces and to rely on the United States for its security require-



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No. 69/17

A NEW LOOK AT THE CANADA-U.S. AUTOMOTIVE AGREEMENT

Excerpts from a Speech by the Honorable Jean-Luc Pepin,
Minister of Industry, Trade and Commerce, to the Canadian
Automotive Parts Manufacturers' Association in Toronto,
October 23, 1968

...As you are aware, we shall again very shortly be discussing the Canada-U.S. Automotive Agreement with the United States Government. Our neighbors seem to think that Canada has done a little too well out of the Agreement. We in Canada take the view that we have still a long way to go before we have - as indicated in the second objective of the Agreement - a fair and equitable share of the total North American market for automotive products. It will be important to try to bridge this difference of approach during the forthcoming discussions.

Tonight I should like mainly to review what has been achieved and better define the important job which still lies ahead.

"In the beginning" (1964) it was found that the automotive industry, even though it was already one of the most important segments of our economy, appeared to be well below the achievement of its potential sales capabilities. It was considered essential that a plan be devised which would enable the industry to expand its output to a level more in keeping with the market requirements.

As you all know, this concern led the Government to enter into "the" Agreement with the United States in an attempt to eliminate the barriers to trade in automotive products between our two countries....

The Agreement is now working well ... and, while all the objectives have not yet been fully realized, we have made good progress towards them.

What did the Canadian automotive industry look like in 1964?

The industry was competing with difficulty in its own domestic market, supplying only about half of it: Vehicle production was 671,000 units. Average monthly employment in the industry was 69,000 workers. The annual exports in vehicles and automotive parts from Canada amounted to a mere \$99 million. Our total automotive trade with the U.S. was only \$818 million, and 86 per cent of this was imports.

And, closer to home, the factory value of parts shipments was only \$627 million.

Where do we stand now?

The industry as a whole has benefited substantially, through the immediate expansion of production which followed the Agreement and the movement which has taken place towards the combination of the markets of the two countries. You, the auto-parts manufacturers, have been very much a part of this success.

I have been informed that, of the many representations which were made to Ottawa in opposition to this Agreement, one small group of parts manufacturers was most outspoken. "This trade agreement has caused our doom," the group said. "We cannot compete and we are unquestionably faced with closing-up shop." It is interesting to note that many of these very manufacturers have since greatly expanded their production and have built new factories.

Another success story relates to the manufacture of automotive frames. Prior to 1964, no frames were made in Canada at all. Today there are two manufacturers. Their production represents, annually, a multi-million-dollar activity, and is currently undergoing a major expansion.

The Canadian automotive industry's overall position is reflected in press comments. I quote:

"Vehicle production rises 76 per cent over 1964 to 1.1 million units."

"Average monthly employment has increased by more than 15,000 workers, with a similar increase in related industries."

"Canadian automotive exports have risen from \$99 million in 1964 to \$2.5 billion in 1968 ... an increase of 2,400 per cent."

"Total automotive trade with the U.S. has risen from \$818 million to \$5.3 billion between 1964 and 1968."

And, closer to home:

"Annual factory value of parts shipments rise 71 per cent (from 1964 level of \$627 million) to \$1 billion."

These are impressive achievements, and I do not wish for a moment to minimize them ... however, we must not permit any complacency to creep back into the industry.

Future

Impressive as the results have been to date, there is a big job yet to be done ... there are rewards available to you through the full achievement of the objectives of the Agreement by way of a still more competitive industry.

As you know, the Economic Council, in its recent review, has predicted for 1975 a vastly expanding Canadian economy, including a much greater market for consumer products. This should further increase the demands that will be placed upon the automobile and parts industry.

What are the needs of the future?

The Economic Council has given us a preview of what could be the picture in 1975: A gross national product of at least \$100 billion -- up from the 1967 level of approximately \$65 billion. Exports should attain about \$25 billion, possibly rising at an average annual rate of over 10 per cent. Personal transportation equipment could be the third most important consumer expenditure item (having surpassed clothing and footwear). Consumer expenditure in this sector will have risen from the 1967 level of \$2.6 billion to almost \$5 billion.

What's in this for you?

Are you making appropriate plans to get the maximum share of this greatly expanding domestic market? Are you making serious efforts to obtain a more equitable share of the total North American market?

We, industry and government, have a responsibility to create the conditions that will facilitate the achievement of these goals. A good economic environment can be fostered by government action, but employers and employees must do the work of industrial growth.

Problems of the Future

Looking ahead, what are the practical problems and hindrances that your group and the entire automotive industry must overcome? Let's mention three: (1) Investment and growth financing; (2) management; and (3) marketing.

Investment and Growth Financing

The Canadian automotive industry has invested in the order of \$1 billion between 1964 and 1968. It took that much to bring you where you are today.

If I freely interpret the Economic Council's hopes for 1975, I venture to say that it will take at least another \$1 billion in new investment by 1975, just to enable you to stand still! That's right - \$1 billion just to maintain the portion of the North American market which you now have.

In order to achieve a more equitable share of the market, therefore, the Canadian automotive industry investment must be greater -- considerably greater!

For example, just to have the value of Canadian production match our consumption, a further investment in excess of \$2 billion could be required.

The present need for expansion and modernization is not unlike the situation the industry faced back in 1964 (departing, of course, from a higher level). The need for greater product specialization and plant improvement which was emphasized by the Agreement will most certainly continue into 1975, if not permanently. I'm sure that you fully appreciate this and that you will take the necessary steps to meet this challenge as you have done in the past.

To date, the new investment required has largely been met by the industry itself and I am hopeful this trend will continue. In order to complement the industry's efforts in this regard, the Adjustment Assistance Board was formed to provide financial assistance and tariff remission on production machinery to help all parts manufacturers to compete in the new market.

As you are all well aware, this Board has been under the capable direction of Dr. V.W. Bladen, whose close association and understanding of the automotive industry is well known. I hardly need to mention his outstanding contribution to both government and industry down through the years.

Since 1965, the Adjustment Assistance Board has granted 73 loans totalling about \$60 million. Its tariff-remission activity has granted remissions of approximately \$5 million on automotive production machinery and equipment. A further 24 remission applications are still under consideration.

We feel this is proof positive of the Government's efforts to complement those of the industry itself, proof also of the Government's concern in assisting manufacturers to be as competitive as possible by obtaining the most modern equipment available.

As you may be aware, Government programs, including the activities of the Adjustment Assistance Board, are now under review in Ottawa to assess their current status and future relevance. In this regard, the industry's views and recommendations expressed through the Association and its executive have been most welcome and are receiving close consideration....

One more word on marketing. There are many rumors regarding suggestions for a broadening of the Auto Agreement to include a wider range of products. In this regard, we recognize your industry's concern about certain of these suggestions and your views have been helpful in the Government's continuing assessment of this matter.

I wish to assure you that the Government will carefully weigh all the ramifications of any proposed changes or additions to the Auto Agreement -- always keeping in mind the significant role which has been and will continue to be played by the parts manufacturing industry in the success of the Agreement and in the economy of the country. I presume this is judgment and thoroughness -- and, remember, politicians too have to be good managers! ...



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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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No. 69/18

FOREIGN POLICY AND THE PROVINCES

A Statement in the House of Commons by Mr. Jean-Pierre Goyer,
Parliamentary Secretary to the Secretary of State for External
Affairs, October 30, 1969.

Questions have been raised in recent years concerning the best way to conduct Canada's external relations, in a country where these relations frequently involve areas which are of interest to the provinces or relate to their fields of internal competence. This situation is not unique. With the evolution of international relations since the end of the war, it is a problem which all federal countries have had to face. In the light of our practical day-to-day experience with external relations, I should like to contribute to the study which must be done in Canada and elsewhere.

There has been a lot of talk about the idea of "external sovereignty" for provinces, corresponding to an extension of their fields of exclusive or shared internal competence. At first blush, this theory can seem attractive. However, it raises important questions: Has this theory a solid legal foundation? Is it based on a sound interpretation of our constitution? Is it acceptable to the international community? Can anyone who looks seriously at the international scene or has any knowledge of the daily conduct of external affairs think that the application of this theory can lead to an effective and coherent policy?

(I) In constitutional and international law, only the Federal Government has competence in the field of foreign affairs.

(a) Exclusive competence of the Federal Government:

I do not want to bore you with a long description of the constitutional evolution of Canada in the field of foreign affairs. Everyone knows the way Canada obtained independence. Everyone knows that, over 50 years of evolution, the responsibility for Canadian external affairs passed from the British Crown to the Canadian Government. This evolution was confirmed by the Letters Patent of 1947, Letters Patent which form an integral part of our Constitution. I should, however, like to take this occasion to focus on certain pseudo-legal arguments that are repeated over and over again but appear to us to be completely unfounded.

(b) The 1937 Labour Conventions:

It is often claimed that the argument concerning the Letters Patent is nullified by the judgment of the Privy Council in 1937. According to some, the judgment handed down in the 1937 Labour Conventions case has the effect of permitting the provinces to establish direct, separate relations with foreign countries and even to sign international agreements in the fields of their jurisdiction. I seriously question the level of legal knowledge of people who can come to such conclusions. Thirty-two years after the judgment was handed down, people should really know what it is about. In fact, all the Judicial Committee of the Privy Council said in 1937 is that, in matters which, under the BNA Act, are within the exclusive jurisdiction of the provinces, the Federal Parliament cannot take over the right to legislate by claiming that such legislation is necessary to carry out a treaty signed by Canada; on the other hand, the Privy Council did not cast doubt in any way on the exclusive right of the Federal Government to conclude treaties and, as a consequence, to conduct Canada's international relations. I agree that there can be no interference in the internal legislative competence of the provinces in Canada, but there can also be no provincial interference in the ultimate competence of the Federal Government abroad.

(c) The diversity of federal constitutions:

Sometimes it is pointed out that different federal constitutions exist throughout the world, that no two are the same, and that, as a result, Canada can do what it likes with its own. It is conveniently overlooked that, although different on other points, all are virtually alike concerning foreign affairs -- the external power always remains, in one way or another, in the hands of the central authority. It is quite true that there are some federal states, such as Switzerland, the United States, the Federal German Republic and the Soviet Union, where constitutional practice apparently permits member states to conclude certain kinds of agreement with foreign states. Once again, it is ignored that even a superficial examination of these constitutions shows that in each case this power of the member states must be exercised under the federal authority or by means of the federal government. Moreover, any specialist in comparative constitutional law can point out that even the powers of this kind which members of federal states can exercise have been used less and less often over the years.

(d) Post-war evolution in the field of foreign affairs:

Some claim that international life has changed, and that we must change with it. We are told: "The nature of foreign relations has greatly developed since the war and, as it no longer involves just questions of war and peace or trade but also bears increasingly on questions of culture, technology or education, a new international law has been developing which permits members of federal states to have access to the field of international relations". A splendid theory, which has only one weakness -- it has no basis in reality. International exchanges have been increasing, and not just recently; they have been doing so for half a century. But they remain in the hands of

sovereign states. And they have been doing so more clearly. You just have to have a grasp of reality and of international law. In treaties, there are progressively fewer "federal" clauses, which allow for the transfer of sharing of sovereignty.

I might just mention the most recent example. Just six months ago, in April, the United Nations Conference on the Law of Treaties at Vienna rejected by an overwhelming majority a proposal which would have appeared to recognize, without being explicit about the conditions, a right on the part of members of a federal state to conclude treaties. This draft text was an argument used by the government of Quebec in its white paper as a supposedly irrefutable proof of the tendency towards an international capacity for members of a federation. This draft was clearly rejected simply because it ignored the factors which I have mentioned and did not reaffirm the exclusive right of the federal state to interpret its own constitution to other states. The Conference came to the conclusion that to adopt such an article would be to invite foreign states openly to interpret the constitution of federal states, which would constitute an intolerable intervention in their internal affairs. The Conference vigorously reaffirmed the principle that in a federal country only the government of that country can interpret its constitution to foreign countries. Whatever anyone may claim, therefore, international law has evolved and continues to evolve in a way which is clearly incompatible with the theory of the external sovereignty of provinces. This is a legal fact which simply reflects the fundamental requirements of any coherent international life. I shall come back to this.

(II) The international community would not accept the theory of a so-called external sovereignty for the provinces.

All these legal points have to be made. They provide a foundation for any discussion. However, I am primarily a practical politician. I should like to examine the theory of the external sovereignty of the provinces in the light of practical, daily experience with external affairs.

Like any other abstract conception, this theory can seem plausible. It has a defect, and a major one -- it is completely incompatible with the facts of international life. The international community simply cannot accept this theory from a practical point of view. For those who have an intimate knowledge of international relations, this formula appears dangerous, ineffective, incoherent, chaotic. I shall explain.

The concept of sovereignty has been greatly clarified over the last few years. It is high time for people to realize that, even if certain protectorates and trusteeship territories continue to exist, the notion of bodies with different degrees of international personality has almost disappeared, both in theory and practice. At present there is very little reason to expect that the international community will agree to go back to old conceptions of bodies which are half or partially sovereign, especially if such bodies seek to obtain separate membership in the United Nations or its agencies.

The United Nations is based on the principle of "one state, one vote", with no distinction between unitary and federal states. Federal states as such have neither more nor less power than unitary states. Can we imagine that Canada could have ten or 11 seats in the Specialized Agencies of the UN while France and Britain would have only one each? Why could India not change its internal constitution in order to have 20, 50 or 100 votes? This would be splendid for federal countries. But do you think the international community would put up with it?

Let us take a specific case, that of UNESCO. If international law or the international community accepted the theory of the extension of internal competence into the international field, UNESCO would be composed of several hundred members overnight. Can anyone seriously claim that it would be able to function that way?

In fact, the international community is simply not ready, for practical reasons, to agree to let itself be fragmented by admitting Canadian provinces to its organizations as sovereign or partially sovereign bodies.

In more general terms, since people are talking about the evolution of international behavior, is there anything more important in our world than dialogue, co-operation and cohesion? We live in a world of minorities. On a global scale, there are no majorities, religious, political or linguistic. Christians, Moslems, Buddhists are all minorities. White, black, yellow -- minorities. No ideology dominates any other -- no language, no culture. In this fragmented world, we do not need separatists' bombs; we need formulas for understanding, such as federalism, which bring unity out of diversity without crushing it. Federalism represents an agreement between different communities to act together. It is the hope of Europe, which is being constructed; the hope of Africa, which can overcome tribalism; the hope of Asia, where 50 cultures sometimes exist side by side in a single country; the hope of the world. Sometimes we are too modest. Our federal experience and our daring experiment in bilingualism are admired by many and have inspired them. President Senghor recently reminded us of this very eloquently, when he said: "More basically, French and English bring us additional resources. This is not to say that we reject Francophonie today. On the contrary, we cling to it and welcome our English-speaking brothers. This is why Canada can, in this area of culture, which is man's own, serve as an example." Bilingualism and federalism are formulas for the future which have been given greater life and depth in Canada than anywhere else, and which we can continue to develop. This is what the reality of our world requires from us: the improvement of our federalism and not its fracturing into ten different foreign policies.

(III) Sharing of external policy: the results.

Let us see where the logic of those who wish to share external sovereignty between the Federal Government and the ten provincial governments actually leads us. Let us take this working theory to its logical conclusions. It is not enough to draw up constitutional theories in the abstract. We have to see where they lead us.

(a) Need for a coherent policy:

In practice, different aspects of international life cannot be separated into watertight compartments. They are completely interrelated. As soon as countries deal with one another at the governmental level, it becomes impossible to separate just one aspect, such as education, culture or technical assistance, from all the other aspects of the relations between them. Intellectually, you might draw a distinction between "traditional foreign policy" and more recent aspects of international relations, technical, cultural or social. In fact, these are all aspects of a single whole. The business of an inter-governmental conference on education may be joined in a hundred ways to other fields, such as co-operation in la Francophonie or some other group, international aid policy, bilateral relations with the other countries, economic and commercial problems, international cultural or social co-operation. Political problems are constantly coming up at so-called "technical" conferences. We should not be naive. We just have to look at the policies of the great powers to see the many links between their policies concerning culture, technical exchanges, aid and social questions and the many other political and economic aspects of international life.

Any foreign policy has to be brought together into a compatible, coherent whole. Foreign policy in a particular field has to take account of a series of Canadian interests and a variety of Canadian internal or external policies which may be affected. We must have a central body which co-ordinates and defines policies before presenting them to the outside world. We cannot have 11.

Someone may say we only need to have two centers -- Ottawa and Quebec. Do you think that if the country let one province get away with this all the others would not ask for the same? We have recently seen that even two is impossible. But we would have ten or 11, not just two.

(b) Need for efficiency and strength:

Foreign policy must be clear and effective. It cannot be full of contradictions. If there are ten or 11 Canadian voices abroad, there will be a variety of Canadian viewpoints and activities which will largely cancel one another out. Our influence in international affairs would be reduced. It would be almost impossible to count on us.

In today's world, it is difficult to carry any weight. Europe is very aware of this problem in its relations with the super-powers, without so far having solved it. For a middle power, it would almost be political suicide to waste its energy in a variety of activities and initiatives in many fields. Ten provinces working abroad separately, even if their activities did not cancel one another out, would not have the same power or influence as a Canada which gathered all of its energy behind a single policy.

(c) A balkanized policy is a vulnerable policy:

A balkanized policy would be highly vulnerable. Foreign countries would have to show superhuman virtue not to take advantage of the opportunities offered to them in many fields if Canada's presence abroad were fragmented.

It would be possible for them to play off provincial interests against one another, to adopt client states, to make use of Canada freely, with a good conscience and with our permission. You just have to remember the recent events which took place in our country to prove this assertion.

(d) Effects in Canada; Canada's internal life would be threatened:

The most serious aspect of this affair is that the theory of the external sovereignty of the provinces, if it were adopted, would threaten the internal life of Canada. The sharing of external sovereignty would permit perpetual intervention in the constitutional and internal affairs of Canada. Canada's future would be decided not through rational constitutional debate, shaped by Canadian public opinion in the light of all the problems, but through the changing and divergent interests of the international community. As a result, we should have a constitution which was made abroad. Could Canada survive? It would have an excellent chance of disintegrating, without its voters being consulted.

It is high time for the population of Quebec to realize that, even if it does not want to be separatist, those who hold this theory are pursuing a policy which can be fatal for Canada. Those who aim at this result should admit it; those who are opposed should stand up.

(IV) Formula according to which the provinces can take part in the foreign policy of Canada.

I think it is clear that the Canadian provinces will have enough commonsense to work within the Canadian framework and to avoid policies that threaten to break up Canadian foreign policy and the country itself. Should they, therefore, be resigned to taking no part in our foreign relations and to playing no role on the world scene? Is it Ottawa's policy to keep them out of our foreign relations? It is necessary to sacrifice the provinces and their interests on the altar of national unity? Not at all.

It seems to me that the provinces want their aspirations and interests to be reflected in the formulation of Canadian foreign policy, to participate when appropriate in presenting and carrying out these policies abroad, to be present at conferences and in international organizations and to have their role and contribution -- whether in education, culture or technical and social co-operation -- receive adequate recognition as part of a common Canadian effort. To achieve this they do not need to claim a disastrous sharing of external sovereignty.

Canadian federalism offers them all the scope necessary. Within the present constitution, the Federal Government has begun to work out a flexible formula for co-operation with the provinces. It is not a concession which the Federal Government has made out of pure virtue; it is a practical necessity which federalism has imposed upon us. We have already worked out areas of consultation and co-operation. The federal formula has the potential to permit increased provincial participation in the Canadian presence abroad. Rather than waste our energy in sniping at one another abroad, it would be much more profitable for the provinces to work with the Canadian Government to expand and define methods of consultation and co-operation.

Let us speak in more concrete terms. What is this formula?

(a) Drafting and application of treaties:

For some time, the Federal Government has undertaken to consult the provinces about different aspects of the drafting and application of treaties. This permits the interests of the federal and provincial governments to be reconciled, and results from the wishes expressed by the provinces concerning treaties where the subject matter relates to their internal legislative competence.

Consultation can take different forms. It implies direct discussion between federal and provincial authorities. This can start before or during the negotiation of a treaty if its execution requires federal-provincial co-operation.

A variety of measures, such as the "umbrella agreement", have been taken or considered by the Federal Government to validate agreements of interest to the provinces at the international level.

(b) Participation in international organizations and conferences:

A certain number of international organizations have been created with activities relating to questions which are partly within the internal competence of the provinces, particularly since the end of the war. All these organizations have one objective in common: drafting international conventions at general conferences. It is, therefore, important to have close consultation with the provinces to facilitate ratification and implementation of these conventions by Canada. As a result, federal authorities have frequently consulted the provincial authorities in recent years on the content of such conventions and the possibility of carrying them out.

One of the most practical ways of carrying out this policy of co-operation is to strengthen provincial participation in the delegations which Canada sends to international conferences when the activity is of particular interest to the provinces. That is what we have done, for example, in the case of UNESCO, where provincial ministers of education have been invited to participate in general conferences and senior provincial civil servants have been included in Canadian delegations. This system is perfectly adequate for promoting provincial interests, provided, of course, it is used. This presupposes that the provinces will not make a desperate effort to dissociate themselves from the Canadian presence abroad, as if it were dishonorable to be a Canadian or ineffective to put forward the interests of all of us with a single voice.

(c) Foreign aid:

Foreign aid is an integral part of Canadian foreign policy, and the Federal Government must assume responsibility for co-ordinating it. On the other hand, in view of the fields where Canadian foreign aid is concentrated, it is obvious that the effectiveness of the programs depends in part on the co-operation of the provinces, whether federal or provincial programs are involved.

Thanks to effective consultations between the federal and provincial authorities, the provinces have been able to make a generous contribution to the Canadian aid effort, by recruiting teachers and advisers for service abroad and by offering education and training in Canada.

In addition to taking part in federal programs, some provinces have established their own programs of aid to developing countries. The Federal Government is delighted at this provincial support. The Federal Government's only aim is to ensure that the whole of the Canadian program is maintained and developed in a coherent manner, without splitting Canadian sovereignty abroad. It is, therefore, necessary to work together so that Canadian assistance forms a program which is co-ordinated by the Canadian Government, in which provincial support receives the credit it deserves.

The merits of this formula and of these methods of consultation are that they are compatible with a viable federalism, ensure an appropriate dialogue in Canada with the provinces in the fields of interest to them so that a Canadian policy can be defined, and open the way to a provincial presence and action abroad within a Canadian presence. That is a positive policy which respects the reality of Canada. It is the Federal Government's policy.

Conclusion

The constitution, and the flexible way in which we are applying it, ensure to the provinces that they can take part in the field of foreign relations, together with the Central Government. No doubt this system needs to be improved and developed. These improvements must be defined in Canada by Canadians. These questions are too complicated and too important to us to be the subject of a fight abroad.

We are ready to talk with those who have other opinions. We do no doubt their good faith. But this dialogue must take place in Canada, in a reasonable manner, through agreements between governments and through constitutional discussions. We must arrive at solutions which take into account not only the rules of international law and the realities of the modern world but even more the principles of an effective, viable federalism. Our success -- for we shall succeed -- will serve the interests of the provinces, of the Central Government and of all Canadians. It will offer a fine example to a divided world.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/19

LAW AND ARMS CONTROL ON THE SEABED

An Address by the Honorable Mitchell Sharp,
Secretary of State for External Affairs, to
the International Law Association, Toronto,
November 5, 1969.

Mankind's recent "giant step" into outer space has captured the public imagination in a way no pioneering venture has ever done before. But the conquest of the "ocean space" of our own planet may hold out a more immediate challenge and perhaps even greater promise for the future. Spectacular advances in marine science and technology are rapidly making the seabed and ocean-floor accessible to the scientist, the entrepreneur and, inevitably, to the military planner.

If the predictions of "standing-room only" on the earth in a 100 years time come true, we may be pushed into the sea. At the very least, a protein-hungry and mineral-short world will be increasingly seeking to exploit the natural resources of the ocean. A new colonial scramble for the seabed is by no means an academic possibility. Nor is the extension of the arms race to the ocean-floor.

The world still has the opportunity to achieve a new order or international co-operation under the sea. Governments are going to need all the help they can get from those who are interested in how international law is made and those who have ideas about what international law ought to be.

The international community focused its collective attention on the seabed in 1967 when Malta put before the United Nations General Assembly a proposal calling for the reservation exclusively for peaceful purposes of the seabed and ocean-floor beyond the limits of present national jurisdiction, and for the use of their resources in the interests of mankind. I should like first to deal with the suggestion that the resources of the seabed beyond the limits of national jurisdiction should be used in the interests of mankind, and later with the "peaceful uses" element.

The basic questions that have to be answered can be briefly stated: How far does or should the national jurisdiction of coastal states extend? What legal regime should be developed to govern the exploration and exploitation of the resources of the area beyond the continental shelf -- that is, beyond the limits of national jurisdiction? And what international machinery, if any, will be required to give effect to this legal regime?

At present, it is clear that coastal states enjoy exclusive sovereign rights for the exploration and exploitation of the resources of their continental shelves. These rights do not depend on occupation or on any express proclamation. No one may explore or exploit the continental shelf without the express consent of the coastal state, even if the coastal state itself is not conducting such exploration or exploitation. How the continental shelf should be defined for this purpose is much less clear.

The Convention on the Continental Shelf drawn up at Geneva in 1958 left the legal continental shelf with elastic inner and outer limits. The inner limit is the edge of the territorial sea, which, according to national claims, ranges from three to 200 miles in breadth. The outer limit is a double one, being a water depth of 200 meters or, beyond, to whatever depth will allow exploitation of the underlying resources. However elastic this definition may be, there can be no question that the Convention relates to the continental shelf, and not to the whole of the deep ocean-bed. In other words, the Continental Shelf Convention recognizes that there is an area of the seabed and ocean-floor beyond the limits of national jurisdiction.

To determine the boundary of the area beyond national jurisdiction, it will be necessary to fix a new definition of the continental shelf by international agreement. As a country with vast and promising offshore areas, Canada is intensely concerned with the development of a new definition of the shelf. The 1958 Geneva Convention obviously provides a basic point of reference. Another basic point of reference is the geographical and geological reality which underlies the juridical concept of the shelf. The International Court of Justice, in the North Sea Continental Shelf Cases, confirmed the principle that the coastal state's rights over the continental shelf flow from the fact that this submarine area constitutes a natural prolongation of the coastal state's land territory. We are taking the position that the redefinition of the continental shelf must recognize coastal-state rights over the "submerged continental margin", which consists of the continental shelf and slope and at least part of the rise. Any arbitrary distance-plus-depth formula which disregarded existing international law and geographical-geological factors would be unacceptable to Canada, and doubtless to a significant group of other coastal states.

There is an interrelation between the ultimate definition of the limits of national jurisdiction and the nature of the regime to be developed for the area beyond. A curious "After you, Alphonse" situation characterizes this interrelation. Some states are more interested in protecting the resources of their own shelves than in benefit they might obtain under a particular regime for the internationalized area. Therefore, they may be satisfied to define national jurisdiction independently of the development of the regime for the area beyond. Others wish to know how much they might benefit from a particular regime for the internationalized area before deciding on the extent of seabed they wish to claim. Some developing countries might press for the broadest possible internationalized area if they succeeded in obtaining an international regime designed for their particular benefit. Some highly-developed countries might see an advantage in bringing the widest possible international area under a competitive regime in which their advanced technology would assure them of a dominant position. Many states are simply uncertain where their interests lie.

In the elaboration of a legal regime for the internationalized area of the seabed, general principles of international law must certainly apply. This

does not mean, however, that it has the same status as the high sea and that the freedoms of the sea necessarily apply to the seabed. What we must do is to develop a new concept for the seabed beyond national jurisdiction, in the same way that a new concept was developed for the continental shelf.

One such new concept, that the seabed beyond national jurisdiction represents the "common heritage of mankind", is in many respects an attractive one. But as a legal principle it raises certain difficulties. One such difficulty is that beginning with the view that the seabed is the common heritage of mankind tends to predetermine the nature of the seabed's legal regime. It might be more constructive to begin with discussion of particular legal principles, which might lead to agreement on a comprehensive regime, rather than to seek initial agreement on a broad concept from which particular principles could then be determined. The theory of the common heritage of mankind raises so many questions as to its possible implications for other areas and other resources that the concept requires much further thought than it has so far received.

Among the various types of legal regime for the seabed which have been suggested so far, those which involve dividing up the entire seabed and ocean-floor among the coastal states already appear to have been rejected by the international community. Those theoretical systems that do not involve national appropriation can be broadly summarized as follows:

- (1) Systems under which states and their nationals would exploit seabed resources subject to an agreed body of rules but without any international control agency or machinery beyond a simple registration procedure;
- (2) systems under which an international agency, or the United Nations itself, might act as a trustee in controlling exploitation of the seabed by states and their nationals;
- (3) systems under which sovereignty over the seabed might be granted to the United Nations, which could itself carry on exploitation activities.

There appears to be general agreement that the regime to be adopted should ensure exploitation of the seabed in the interests of humanity and for the benefit of mankind, having regard to the special needs and interests of the developing countries. The provision concerning the special needs and interests of the less-developed countries has been written into all United Nations resolutions on this subject. Accordingly, many developing countries favor a regime or system which would be based on strong control or ownership by an international agency or by the United Nations itself.

On the question of establishing international machinery, the nature of the regime would determine whether any machinery is required and what its nature and scope should be. Even the most laissez-faire regime would probably require at least a central registry of licences for exploration and exploitation. Control or ownership by an international agency or the United Nations would imply the creation of international machinery of an extensive kind for which no precedent exists.

Those states that favor a supra-national approach to a seabed regime tend to press for strong international machinery, while states which favor a national approach tend to resist anything but the most limited machinery. On this issue there is a rather extreme polarization of views between many developing countries and certain developed countries -- the Soviet Union in particular. The U.S.S.R. strongly opposes the supra-national overtones of the seabed question, and has resisted the study of international machinery in the United Nations.

The Canadian Government's position on these matters, is still developing. We agree that there is an area of the seabed beyond national jurisdiction. We want this area to be reserved for peaceful purposes. We consider that a workable legal regime must be developed if the seabed is to be exploited in an effective, equitable and orderly manner. And we assume that some form of international machinery will be required. In our view, the seabed regime and machinery should provide some revenue for international community purposes, while protecting the legitimate interests of entrepreneurs and coastal states. We intend to be flexible and open-minded in examining all possible systems, but we have serious reservations about the more extreme proposals for international ownership and control.

I should now like to turn to the question of reserving the seabed exclusively for peaceful purposes. The basic Canadian position is that the widest possible range of arms-control measures should be extended to the widest possible area of the seabed and ocean-floor.

We have argued from the beginning that this objective should be understood in the light of the United Nations Charter and other principles of international law. Use of the seabed for offensive military uses should be prohibited, and especially the deployment of nuclear weapons and weapons of mass destruction. However, its use for purely defensive purposes, especially in areas adjacent to the coast, should not be precluded. We were the first country to call for the widest possible area of the seabed to be reserved for peaceful purposes, irrespective of the area which will eventually be subjected to an international legal regime.

The Conference of the Committee on Disarmament which has been considering this question reached an early consensus on the desirability of extending arms-control measures to the continental shelf as well as the area beyond national jurisdiction. There was also early agreement that there should be a narrow coastal band to which the proposed seabed arms-control measures would not apply, largely on the grounds that states have sovereignty over their territorial sea. The United States and the Soviet Union, co-chairmen of the Disarmament Committee, eventually agreed on a limit of 12 miles for this coastal band. This corresponds to the breadth of the territorial sea claimed by the U.S.S.R. and some 55 other states.

The United States and the U.S.S.R. also agreed that this coastal band, or "maximum contiguous zone", should be measured in the same way as the territorial sea. Allowance will be made for the use of the straight-baseline system which Canada has applied to long stretches of its coast, and for the status of historic waters such as Hudson Bay.

The results so far of negotiations on arms control on the seabed have now been incorporated in a draft treaty tabled by the United States and the

Soviet Union. The major achievement reflected in the draft treaty is prohibition of the emplacement of nuclear weapons and weapons of mass destruction on the seabed and ocean-floor. We warmly welcomed this bilateral self-denying agreement by the two great nuclear powers on the most important requirements for a seabed arms-control treaty. In other respects, however, the draft treaty falls short of our expectations and those of many other countries.

In the Disarmament Committee, Canada advanced a group of interrelated suggestions for disarmament of the seabed. In summary, these suggestions involved:

- (1) The prohibition not only of nuclear weapons and weapons of mass destruction, but also of conventional weapons and military installations which could be used for offensive purposes, without, however, banning installations required for self-defence;
- (2) the establishment, beyond the 12-mile coastal band, of a 200-mile security zone to which the proposed arms prohibitions would apply in full but where the coastal state could undertake defensive activities;
- (3) the elaboration of effective verification and inspection procedures to assure compliance with the terms of the treaty, together with an international arrangement making such verification possible for countries with a less developed underwater technology.

With the exception of the prohibition of the emplacement of nuclear weapons and weapons of mass destruction, these Canadian suggestions are not reflected in the draft treaty put forward by the U.S.A. and U.S.S.R. The co-chairmen's draft does recognize the existing right of states to observe the seabed activities of other states and it does incorporate an undertaking to consult and co-operate in removing doubts concerning compliance with the treaty. It does not, however, provide for the right of inspection and access on the model of either the 1959 Antarctic Treaty or the 1967 Outer Space Treaty.

Non-nuclear coastal states like Canada wish to be sure that there is nothing on the seabed which could threaten their security and that even permissible defensive activities on the continental shelf are limited to the coastal state concerned.

The provision in the draft treaty limiting the prohibition to nuclear weapons and weapons of mass destruction only in our view intensifies the need for the recognition of a broad coastal-state security zone. Demilitarization of the broadest possible area of the seabed would make such a zone much less necessary, since no state would then have any right to make any military use of the continental shelf. With only nuclear and mass-destruction weapons prohibited, the possibility arises that states may attempt to emplace conventional weapons or military installations on the continental shelf of another state. Obviously, no coastal state could accept with equanimity the emplacement of offensive installations near its shores. If any state has the right to make any military use of the continental shelf, even for defensive purposes, it is the coastal state and the coastal state only. The exclusive

sovereign rights of the coastal state to explore the continental shelf and exploit its resources are not compatible with any degree of freedom of military activity on the shelf by other states. The possibilities of conflict between foreign military activities and the coastal state's exploration and exploitation of the shelf are only too obvious.

Without a provision for effective verification and inspection procedures under an international arrangement, states with a less-developed underwater technology will not have any assurance that the nuclear states are complying with the treaty. It is easy to see that particularly troublesome problems would arise if a state emplaced military installations on the continental shelf of another state and then attempted to deny that other state access to the area or installation. In our view, a military installation by a foreign state on the continental shelf would be contrary to existing international law. Canada maintains that the coastal state has an unrestricted right to verify foreign activities on its shelf and it has the right to be notified of and associated with actual inspection procedures undertaken by foreign states.

In summary, the U.S.-Soviet draft treaty is unfortunately silent on a number of important questions. The seabed arms-control negotiations excluded consideration of the problem of submarines armed with nuclear missiles. Thus the draft treaty bars only a potential nuclear presence from ocean space, while leaving the existing mobile presence intact.

The draft treaty is described in its preamble as a step towards the exclusion of the seabed from the arms race and expresses a determination to continue negotiations concerning further measures leading to this end. With this description and this determination we are in complete agreement. The debate in the United Nations General Assembly will indicate whether or not the co-chairmen of the Conference on Disarmament have put forward a treaty which provides a truly multilateral basis for seabed arms-control measures consistent with the other requirements of a regime for the continental shelf and the seabed beyond national jurisdiction.

I have only traced the bare outlines of some of the more vital issues in the developing area of the seabed. I have not, for instance, taken up the problem of marine pollution which may arise from exploitation of seabed resources. This is another crucial aspect of the seabed question, to which the Canadian Government intends to give the most vigorous attention both domestically and internationally. My purpose today has been to illustrate our active concern that the seabed and ocean-floor should be preserved from any form of submarine colonialism and from the vicious circle of the arms race.

Perhaps some of the visions of vast wealth to be had for the taking from the sea are utopian. We know too little about the resources of the seabed, but it is certain that the costs and risks of exploiting them will be high. Perhaps visions of new and nobler forms of peaceful international co-operation under the sea, while the old and imperfect forms continue on land, are equally utopian. We know too much, perhaps, about the nature of man and the nation state, and it is unlikely that either will undergo some sort of "sea change" at "full fathom five". Nevertheless, there is an urgent need for the law of the sea and seabed to keep pace with the exciting but potentially dangerous growth of underwater technology. We intend to make the fullest possible Canadian contribution to the development of this area of international law.



STATEMENTS AND SPEECHES



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/20

VISIT TO THE MIDDLE EAST

The Secretary of State for External Affairs, the Honorable Mitchell Sharp, in the House of Commons, November 19, 1969.

I rise to report upon my visit to the Middle East, which took place last week.

Canada has been closely concerned in Middle Eastern affairs since we participated in the activities of the United Nations Special Commission on Palestine, which drew up the Palestine partition plan of 1947. We voted for the United Nations resolution setting up the state of Israel in 1948. Recognition of the right of the state of Israel to exist remains an essential feature of our Middle Eastern policy. At the same time, we try to maintain an objective approach to the current problems of the area. Our essential objective is that all states there should be enabled to live in peace and security, free from threats of war or territorial encroachment.

For two decades, Canada has had military personnel in United Nations peacekeeping operations in the area. Canada is also the third largest contributor to the United Nations agency working for the relief of the Arab refugees.

Our Middle Eastern policy has largely found expression through the United Nations in New York. It was there that we took part in the steps which led to the birth of the state of Israel; it was there that the United Nations Emergency Force was established. More recently, as a member of the Security Council, it was there that we took part in drafting Resolution 242 of November 1967, the resolution that we feel offers the best available framework for progress toward peace in the area.

My visits were a reflection of our long involvement in the affairs of the Middle East, in response to invitations from the Foreign Ministers of Iran, Israel and the United Arab Republic, and in return for visits paid to Canada by the Shah of Iran, the President, the late Prime Minister and Foreign Minister of Israel, and the Foreign Minister of the United Arab Republic. More particularly, I wished to learn at first hand the attitudes and policies of the governments concerned with regard to the Arab-Israeli conflict.

I return from my visit both saddened and discouraged. Prime Minister Meir and President Nasser both told me that they seek a peaceful solution to the Arab-Israeli conflict. It is very hard to see how useful negotiations can begin when the preoccupations of the parties are in direct confrontation. Israel is preoccupied with the security of its boundaries and its insistence upon direct negotiations with its neighbors. The United Arab Republic is preoccupied with the withdrawal of Israel to its pre-1967 boundaries and the fate of the Arab refugees. I can see no immediate resolution of this confrontation.

When I went to the Middle East, I had no solution to offer and no proposals to make; I went to inform myself on the situation as seen by Iran, a nation which does not take sides, and by the two main protagonists. In every country visited we were received with great courtesy by the head of state, the principal minister and the foreign minister. In each country the heads of state and their ministers devoted many hours to concentrated conversations. The views I expressed in outlining Canadian policy were given thoughtful consideration and the questions I asked answered fully and forthrightly. Wherever I went I found a manifest wish to have Canada understand the positions taken. This reminds us of Canada's special standing as a peace-seeking and peacemaking nation and is evidence, perhaps, of the need for understanding on the part of the nations in conflict.

My first visit was to Iran, where I saw a nation preoccupied with the advancement of its economy and the improvement of the conditions of life of its people. Its geographical location requires Iran to be intimately involved in the problems of the Middle East. I found a nation some 6,000 miles from Canada, in the heart of the Middle East, pursuing a Middle Eastern policy closely parallel to our own. In my subsequent visits, I found my discussions in Tehran most useful both for the information I drew from them and for the political attitudes expressed.

In Israel I was moved, as anyone must be, by the sense of pride in nationhood that characterizes that country, and deeply impressed by what has been achieved in nation-building in 20 years. In Egypt I saw a nation where the evidences of ancient glory are very much present, contrasting cruelly with the present-day struggle to evolve a better standard of living for its people.

The situation in the Middle East today is tragic. There is so much to be done in that part of the world and the will and technology are there. The tragedy is that in so many of the countries the resources needed for development are tied up in an arid confrontation which threatens to burst into violent conflict.

I left the Middle East with a profound sense of disquiet. Effective negotiation is not an immediate prospect. Escalation of the conflict is an immediate danger. In these circumstances, perhaps the best role for Canada to play in the foreseeable future is that of an understanding, compassionate and objective observer, ready to assist if and when there is a specific task for us to undertake at the instance of both sides.

Let us hope that, notwithstanding the present difficulties, counsels of moderation will prevail, and that someday, somehow, peace will come to the Middle East.

It would not be appropriate in a statement on motions to review in detail the bilateral discussions we had in each capital. There are great trading opportunities, particularly with Iran and Israel, and some important possibilities with the United Arab Republic. All three countries are eager for increasing contact with us. Perhaps one of the ways we can help is to be more of a presence in the Middle East, a part of the world that needs friends and cherishes friendship.

S/C



STATEMENTS AND SPEECHES



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/21

THE PROBLEM OF RELIEF FOR SECESSIONIST NIGERIA - I

Statement by Prime Minister Pierre Elliott Trudeau in
the House of Commons, November 25, 1969.

In the past few days several questions have been asked of me in the House of Commons with respect to steps taken by the Government of Canada to assist in the shipment of relief supplies to the civilian populations of the secessionist areas of Nigeria. Because it is desirable to set forth in a single statement the several aspects of Canadian efforts in this regard, the following brief chronological record has been prepared:

In October 1968, Canadian Forces Hercules aircraft were despatched to the Nigerian area for use in carrying relief cargoes to Biafra. One of those aircraft joined the night airlift, the hazards and inefficiencies of which were then and have always been recognized.

In late October 1968, my personal representative, Professor Ivan Head, journeyed to Lagos for discussions with the Nigerian head of state, General Gowon, about the possibilities of additional relief shipments. It was as a result of that Canadian initiative that the Nigerians agreed to permit daylight relief flights subject to only a single condition, an undertaking by Colonel Ojukwu that he would not take advantage of the situation and fly in arms during daylight hours.

The proposal for daylight flights on these terms was transmitted through the International Committee of the Red Cross and other channels to Colonel Ojukwu. When in November no reply had been received from Colonel Ojukwu, and the Nigerian Government announced that it could no longer guarantee the safety of aircraft flying into Biafra at night, the Canadian Government withdrew its aircraft. Canada stated at that time that it would consider replacing the aircraft once appropriate daylight delivery arrangements were concluded.

Not until June 1969, some eight months following the announcement of the daylight relief flight proposal, did the Biafran authorities comment officially upon it. Not even then did Biafra accept the idea of daylight relief. It only said that, subject to five conditions, it would be "willing to consider" daylight flights.

Since early 1969, and with the knowledge of the Nigerian Government, contacts have been made and discussions about relief and other measures subsequently held by Canada with representatives of the Biafran regime. The Secretary of State for External Affairs has spoken with Biafran authorities in New York; various Canadian officials have met with Biafran representatives in London, Ottawa, Geneva and New York, and are continuing to do so in one or more of these places whenever it appears appropriate to do so. It is in this light that my statement of last week must be viewed when I said there had been contact at the ministerial level. This contact was made at New York; of course there have been other contacts at the official level in the various capitals, as I have just said.

In an effort to overcome the delivery difficulties, the Canadian Government has consulted continuously with a number of other donor governments which make up what is known as the Hague Group. It has consulted as well with the United States Government. That Government, early this year, took the recognized lead in Nigerian relief activities when President Nixon appointed Ambassador Clyde Ferguson as his official representative to co-ordinate humanitarian assistance to Nigeria.

In June of this year, I sent my representative back to Nigeria to ensure that General Gowon's single condition for daylight flights remained unchanged. Professor Head then journeyed to Tanzania on my behalf to speak to President Nyerere, the leader of an African country which had recognized the independence of Biafra, about all aspects of the Nigerian situation.

On July 10, in an attempt to meet Biafran contentions that daylight flights would prejudice its military position, the Secretary of State for External Affairs offered to send Canadians to the area to act as inspectors of relief cargos.

In the early summer, the International Committee of the Red Cross began negotiations in Geneva in an attempt to solve the flight impasse which by then had reached a critical point as the Nigerian Air Force increased its efforts to prevent night flights of arms from reaching Uli. After one of its aircraft was shot down, the ICRC halted its night flights.

A Red Cross proposal for daylight flights (I repeat ... this whole business of daylight flights was begun as a result of Canadian initiative, the whole idea was brought up as a result of Canadian initiative which followed upon our obtaining from General Gowon his consent to such flights) was given to both Nigerian and Biafran representatives in Geneva on August 1. Biafra accepted the proposal in principle on August 14 but made its acceptance subject to the condition that it would continue to use Uli Airport for its own operations. The Biafrans offered no evidence that they were prepared to meet the single Nigerian request that arms not be flown in during daylight hours. The paper setting out "technical modalities" of daylight flights, drawn up by Professor Freymond of the ICRC and Dr. Cookey of Biafra, and circulated by the Biafran authorities, must be read in light of this Biafran condition.

In late summer, the ICRC sent a team of representatives to Nigeria in an attempt to conclude a daylight relief agreement with both sides, no agreement having been reached with either side up to this point. On September 13, the Federal Nigerian Government and the ICRC reached an agreement for an internationally-inspected and militarily-inviolable daylight relief airlift. The

agreement included, at Nigerian insistence and in reply to the Biafran condition for what amounted to daylight military use of Uli Airport, a clause that the agreement should be without prejudice to military operations by the Nigerian Government.

The Biafran regime refused to conclude an agreement with the Red Cross. Biafra, instead, demanded, in a press statement dated September 15, "a third-party guarantee which will ensure that daylight flights are not used to military advantage by Nigeria". The statement went on to say that "the only guarantee acceptable to Biafra is that of a third government or international organization of a political character".

The Governments of Canada and the United States immediately attempted to provide assurances to meet this understandable Biafran fear of military disadvantage. Discussions toward this end took place in Ottawa and in Washington and involved officials of the Prime Minister's Office and the Department of External Affairs and officials of the White House and the Department of State. Included in these discussions as one element of these assurances was a proposal for Canadian observers to travel on board relief aircraft.

Canadian officials subsequently met with Biafran representatives in Geneva. Ambassador Ferguson, who had been agreed upon as the person who should convey formally these offers, travelled to Africa. As set forth in the Washington statement, dated November 12, 1969, the Biafran authorities, on October 24, formally rejected the offers which were designed to protect Biafra from military disadvantage, which is exactly what they had asked for.

Canadian officials in Geneva have been informed by Biafran representatives that Biafra demands more than military assurances; that, in addition, guarantees of a political nature are required in order to break the impasse. The Canadian Government is not willing to give the political guarantees demanded, as these would be tantamount to recognition of an independent state of Biafra, and an overt interference by Canada in the political affairs of another country, contrary to the resolutions of the Organization of African Unity.

During the past several weeks, the Secretary of State for External Affairs has continued his discussions about Nigeria with some 25 other foreign ministers, many of them from African nations, at the United Nations. I talked to Secretary-General U Thant about the problem in New York on November 11, as I had a year earlier. Canadian leaders have pursued the Nigerian issue with the leaders of two African countries who have visited Ottawa this fall. They were President Hamani Diori of Niger and President Nyerere of Tanzania. I can say that the unanimous view of these African leaders is that the Organization of African Unity resolutions must be respected.

The Government is now considering, as stated a few days ago, alternative means of delivering relief to Biafra in daylight. It does so while agreeing entirely with the recent statement of United States Secretary of State Rogers: "Daylight flights under agreed procedures... remain the only practicable scheme for an immediate and substantial expansion of relief operations".

The Government's concern remains, as it has throughout, and as does that of Honorable Members opposite and, indeed, all Canadians, with the innocent civilian victims of this tragic war. Delivering adequate food and relief supplies to these people must be our resolve, notwithstanding the disinclination of the Ojukwu regime to accept it except in return for political advantage.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/22

THE PROBLEM OF RELIEF FOR SECESSIONIST NIGERIA - II

Statement by Prime Minister Pierre Elliott Trudeau
in the House of Commons, November 27, 1969.

...Any armed conflict is terrible. But when events conspire to make children the principal victims, then the horror of all persons turns to revulsion. We should be less than human if we did not attempt to alleviate that suffering. The debate today asks if Government attempts in that respect have been correct, if Canadian policy should be measured by one criterion — contributing or not contributing to a single charitable operation.

Canadians possess no secret formula for concluding wars; they are not gifted with any divine guidance into the rights and wrongs of the arguments of strangers. Canadians do believe, however, that political quarrels cannot be successfully concluded on a battlefield. The complex human relations which must somehow be repaired and restored, the confidence which must be created in the place of fear — these difficult and sensitive tasks cannot be performed in an atmosphere of war. They can only be the product of consultation and negotiation.

Canada has repeated these views again and again to the combatants in this war and it has expressed publicly its attitude with respect to the supply of arms from outside. We have stated, as well, that we are anxious to do whatever we can to assist in such consultations or negotiations. Just as we made available senior and experienced Canadian military personnel to serve on the international observer team in Nigeria, we are ready to make available talented Canadian diplomats to contribute to the process of peaceful settlement.

To intervene when not asked, however, would not be an act of courage; it would be an act of stupidity. There are some 30 countries in Africa south of the Sahara that have achieved independence since 1957. Every one of these emerged into nationhood following a lengthy and anguished colonial history. No single act would be regarded with more hostility by any of them than the unilateral intervention of a non-African state into their affairs.

I say this not from surmise but because it was made very clear on at least two occasions by the Organization of African Unity. They have said that this is an African problem, and that outside interference in this conflict would not be welcome. Certainly, it is presumptuous on our part to think that we, white

people who are far away in North America, know more about Africa than the 30-odd countries, the members of the Organization of African Unity, which made the statement.

Because of that, it would be wrong for the Canadian Government to assist the Nigerian Government militarily, but it would be equally wrong for the Canadian Government to assist the rebel régime politically. Each is an act of intervention. Each would be a presumptuous step, an arrogant step, I would say, for a country so distant as Canada.

What Canada can do, and what it must do, however, is to attempt to feed the children who will starve to death without help. A starving child prompts an emotional response, and properly so. But that emotion must serve to assist the children, and not the reverse. It has been said by some...that this is the greatest human tragedy of our time. It may be, but I doubt it. The nature of man is so perverse that in the past few years there have taken place tragedies of indescribable proportions in several developing countries -- the mass slaughters during the partition of India, the atrocities in Algeria, the massacres in Indonesia. Even while the Nigerian war continues, there have been bloody conflicts in the southern Sudan and in Chad. The Canadian Government did not intervene, and is not intervening in these sad situations. No Canadian Government did so, and no Canadian opposition party criticized those decisions, because of the inescapable limitations upon the effective actions which Canada can take.

The Nigerian tragedy does not become different from these others simply because some persons employ superlatives, or repeat accusations of genocide when these allegations have been proved demonstrably incorrect, or relate highly-inflated death-rate figures. Nigeria is only different because we know more about it and because it is children who are the principal sufferers.

I suggest that there are several points on which there is no dispute among Hon. Members. We share a common revulsion to the suffering which has been brought about by this war. We share a common desire to aid the victims. We all recognize the fragile and inadequate nature of a night relief airlift which must share a single runway and surrounding air-space with competitive arms flights.

Where we differ is in our judgment of the best means to increase the flow of relief. On the basis of careful evaluations of reports received from qualified observers from many sources, the Government has concluded that the only truly effective way of delivering adequate supplies of relief to Biafra is by way of daylight flights. Not only is a daylight airlift safer but, because of the different flying conditions, many more airplanes could be accommodated in any one day than in any one night. When one adds to these facts the additional fact that the airport would not be used for arms deliveries in the daytime, then the flow of relief would increase severalfold.

These facts, which are indisputable, prompted the Canadian Government to do whatever it could to persuade the parties to permit daylight relief flights to occur. In making these efforts, we attempted to understand and to meet the objections which were raised by one side or the other to the principle of daylight relief flights.

I related to this House on November 4, 1968, and again two days ago, the Canadian initiative which exacted from the Lagos authorities a guarantee

of safety for daylight flights. I am able to reveal as well that it was as a result of the visit of my representative to Nigeria in June of this year that the two essential elements of any daylight arrangement were identified and agreed to. These are the identification of the aircraft involved and the inspection of the cargo.

Canadian efforts since that time have been directed to a means of assisting in this identification and this inspection. We have taken the position that it is not for us to assess whether the military fears of one side or the other are reasonable or responsible. Rather, we have sought to produce a formula that would meet those fears, a formula which would assure the Nigerians that relief aircraft were in fact relief aircraft, that relief cargos were in fact relief cargos -- in short, a formula that would assure to the Biafrans that the aircraft were not disguised bombers or troop-carriers, that food parcels were not tampered with, that daylight flights could not be used as a cover for a hostile military operation.

The negotiations conducted this summer by the International Committee of the Red Cross were based upon these principles.

That is why I think it is slightly unfair to suggest that the Red Cross has been bogged down and caught up in outmoded concepts. This is not the aspect which has deterred the Red Cross from attempting to bring its mercy flights to the Biafrans. That operation stopped...after a Red Cross aircraft was shot down in the middle of the night.

Even though it may have been clearly marked, it was shot down in conditions of poor visibility -- entre chien et loup. It was following that that the Red Cross stopped flying. It did so not because problems of sovereignty were raised but because it realized, as I think we realized prior to that, that it would be infinitely better to reach agreement to fly by day. The reasons that agreement has not been reached, as I shall show in a moment, are not because of outmoded concepts of sovereignty but because both parties have been unable to come to an agreement as to the conditions under which the Red Cross could pursue its mercy flights during the daytime. Therefore it is not a legal technicality -- it is a question of whether the Red Cross is permitted to make its mercy flights during the daytime.

When the Ojukwu regime balked at the implementation of the proposed agreement because of fear of military disadvantage, Canada was disappointed but it made no public entreaties or complaints. We thought that the Biafran fears were unfortunate and, indeed, that they were unjustified, but we nevertheless attempted to meet them. We consulted with United States officials, and in particular with Ambassador Clyde Ferguson, who is President Nixon's relief co-ordinator and whose exhaustive trips into the area and discussions abroad have made him probably the most knowledgeable and qualified person in the world on this question. A formula of assurances was devised which we sincerely thought met every one of the Biafran military objections.

The Government was shocked when that offer of assurances was turned down out of hand by Colonel Ojukwu. It was even more shocked when Canadian officials were informed by Biafran representatives that military assurances were not enough, that fear of military disadvantage was not the main reason for Biafran rejection of daylight flights, that desire for political advantage was the reason.

I have been asked to spell out the Biafran demands in these respects. I have been reluctant to do so because this would be a breach of the normal rules which regulate discussions of that sort. I will only add that Canada was asked for an assurance of a political character, and of a nature so extreme that no government could accede to it and still make any claim to non-intervention and non-support of the political aims of one side or the other. Those persons who have repeated so often their contention that Canada, as an impartial country, could play a mediator role would, I am sure, be the first to object to Canada placing itself in such a position.

The resolution before the House urges the Government to support Canairelief. The Government recognizes the courage of the pilots and crews of the Joint Church Aid aircraft, and regrets that they are forced to risk their lives every night in order to carry out the task they have assumed. From my place in this House I have urged Canadians to support the efforts of Canairelief through generous financial contributions. I applaud the one which was mentioned this afternoon... but it is, unfortunately, a matter of record that those contributions have been far short of the amount needed.

It is also a matter of record that Canairelief qualifies under United States laws, as a carrier of United States foreign aid, for freight payments.... Those freight payments will continue so long as Canairelief carries cargoes of preponderantly U.S. origin. In the result, Canairelief, a private Canadian charitable organization, is employed as a cargo airline, engaged in the carriage of U.S. goods to Biafra, and is receiving payment for that task. I say this not critically but as an explanation of the position in which Canairelief finds itself. I say it also as a refutation of the totally baseless charge that..."the United States is likely to withdraw its support of Canairelief because the Canadian Government will not support its own citizens". There is absolutely no foundation in fact for that allegation, because the support of the United States Government stems from the situation as I have described it....

The Canadian Government has not granted any support hitherto to Canairelief for two reasons. The first is that our contributions were made to the International Red Cross, which at that time was the only agency flying relief to both sides in the conflict. Supporting the Red Cross was consistent with our aim of impartiality in the war. The Red Cross amassed a proud record: 2,030 flights, carrying over 23,000 tons of relief supplies.

Our second reason stems from the argument I made a few moments ago: that in our view all Government efforts should now be focused on daylight flights.

It will be remembered that Canairelief commenced its operations as complementary to the Government-assisted Red Cross flights. It was correctly recognized that there were limits to the Government's freedom of action, limits expressed not just by the Nigerian Government but by more than 30 African governments in the OAU, and that there was a role to be played by a private Canadian organization. The Canadian Government welcomed that initiative.

I have said many times that, if Canadians, private organizations, and, I hope, members of the Opposition and on this side of the House, want to help Canairelief, it is an act of which we will certainly approve. I have said that many times.

I think that what the Government, as a government, cannot do, private citizens can do and have done. For the Government's part, while assisting the Red Cross, we were at the same time pressing for daylight flights. Now that the Red Cross is no longer flying, it is all the more imperative that some massive relief operation get under way.

The Government readily admits, and has said so before, that it faces a question which demands continual and urgent examination -- whether to take steps such as assisting Canairelief, which are likely to be objected to by the Nigerian Government, or to take steps such as dropping food by air in daylight, which are again likely to be objected to by the Biafrans. I recognize that this could be interpreted as a decision involving a value judgment about which side in the war is at fault. I hope we shall not be forced into such a judgment but, instead, reach only a decision as to which is the most effective way of alleviating the suffering.

I suggest that this attitude on the part of the Government and these persistent endeavors cannot in any circumstances be described as indifference, as partisanship or as stubbornness. We are doing what we think is right and what the overwhelming majority of African leaders tell us is right....

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No. 69/23

THE PROBLEM OF RELIEF FOR SECESSIONIST NIGERIA - III

Statement in the House of Commons on November 27, 1969, by Mr. Jean-Pierre Goyer, Parliamentary Secretary to the Secretary of State for External Affairs.

While civil war has been raging for over two years in Nigeria, the people of Canada have become aware of the situation and are increasingly concerned with the nature and the importance of this tragedy. They are concerned with the sufferings which this conflict has brought to the civilian population. It is, of course, this aspect of the situation which has preoccupied the Canadian Government first and foremost. We have wondered what was the best way to bring relief to people in distress while the war goes on. And we have always kept in touch with those who try, by different means, to promote a peaceful settlement. We have kept ourselves ready to do our best to help, should an opportunity arise.

I should perhaps say more on this subject, before examining the problem of relief supplies as such.... There are compelling limitations on what outside governments can do about furthering the settlement of this civil war. We can urge, as we have persistently, the critical importance of finding a peaceful solution, and the crying urgency of achieving this in order to shorten the agony of the conflict. We can, as the Government has also done, make clear our readiness to help in any way the parties might agree upon in the elaboration and implementation of arrangements for peace. What Canada emphatically cannot do is prescribe for the parties to the conflict the concessions each might make to bring about a settlement. Nor, unhappily, is there any formula whereby we could introduce from without the essential conciliatory spirit which alone could make peace talks meaningful and a peace settlement lasting. This essential ingredient can be provided only by the parties themselves.

It should also be borne in mind that in so far as mediatory assistance from outside may be of help, there has been no lack of well-placed and well-intentioned conciliators. From the early stages of the conflict, African countries have made clear their fully understandable concern that it should be recognized as essentially an African problem and that a solution should be sought in that context. This view was endorsed by the Secretary-General of the United Nations in a letter to the SSEA, tabled in the House on September 30, 1968, and was again expressed when he had discussions with the Prime Minister about Nigeria early this month. The Organization for African Unity in September

reaffirmed its position in this respect. The Organization for African Unity, which is duly recognized as a regional organization of the United Nations, has been actively seeking to bring the two sides together for peace negotiations, and those endeavors are continuing.

It is unfortunate that the Secretary of State for External Affairs is unable to be here today to give us his views on the motion before the House. So many of his activities, especially in the past few months, have centered around the conflict in Nigeria. Elsewhere I will mention his discussions with Mr. Stewart and Mr. Gromyko about arms shipments to the area. He has also had many opportunities in Ottawa and in New York to have talks about Nigeria with the foreign ministers of other countries, including a number from the African continent. Hon. Members will also recall the visits to Ottawa of two distinguished African leaders, President Diori of Niger and President Nyerere of Tanzania. These meetings confirmed the view of the Government that Canada should continue to concentrate on the humanitarian problems and that a dramatic peace initiative on the part of Canada would not help get peace talks started. Indeed, such an action might have an effect opposite to that intended. Rather, it has been the Minister's resolve that Canada should be ready and willing to grasp opportunities to be useful in ameliorating the situation, as in Canada's continuing participation on the observer team, or in helping to bring about peace negotiations. But until peace comes the humanitarian problem of relieving the suffering of war must be faced. In the absence thus far of any role Canada could play in resolving the complexities of Nigeria's internal struggle, the Government has concentrated on helping to mitigate its tragic consequences. Unfortunately, the effort made by the population of Canada cannot be compared favorably to that of other countries.

Like most other governments, we have made our relief contributions available through the organization which has always served with such distinction and efficiency in relief distribution throughout the world — the Red Cross. Through the Canadian Red Cross Society and the International Committee of the Red Cross, the Government has contributed almost \$3 million to relief for victims of the Nigerian conflict and, of this, almost one half in the Biafran area.

I need not dwell here on the complexities and frustrations which have beset all efforts to get relief supplies through to the suffering. The relief programs which the Red Cross has co-ordinated on both sides of the fighting lines have been persistently pursued in the face of acute physical risks, formidable political complications and monumental administrative difficulties. The most severe problems, naturally, have concerned efforts to deliver desperately-needed supplies of food and drugs to suffering civilians in the secessionist enclave, surrounded as it is by Nigerian Government forces. And as the conflict has been prolonged, the tragedy of its impact on those innocent people has assumed ever more desperately urgent proportions in our relief efforts. In his statement to the House on November 25, the Prime Minister outlined the persistent efforts which this Government and other donor governments have made, in co-ordination with and in support of the ICRC, to break the tragic impasse which obstructs the expansion of relief deliveries. I suggest that, when we examine this record of relief delivery efforts — efforts massively supported by many governments and organizations which share Canada's concern about the suffering in Nigeria —, we cannot escape a conclusion which can only be heartrending for all of us who earnestly seek to help relieve that suffering. It is not a conclusion which I derive any satisfaction from stating, but it is the single most relevant fact

which we must recognize in the present agonizing dilemma over relief delivery. This is the abundantly-tested and sadly-demonstrated fact that the Ojukwu regime so far is not disposed to accept more effective relief delivery arrangements unless it thereby achieves political advantage.

If we failed to face up to this distasteful conclusion, we should not only be doing less than justice to all those who have striven to overcome the obstacles to a freer flow of relief; we should also be deluding ourselves as to what are the real prospects for achieving our urgent objective of getting more relief to the suffering. Perhaps, most important, by ignoring the essence of this relief delivery problem we should only further prejudice the chances of yet breaking this impasse over expansion of aid to the hungry and undernourished.

This Government bears the Ojukwu regime no ill will, but we have much goodwill and compassion for the people who are suffering in the territory which that regime controls. And when it is clear that Colonel Ojukwu's policies are directly instrumental in denying them the relief we are trying to provide, we must be frank in declaring where our essential concern lies. Tireless efforts have been made over a long period to get a larger flow of relief into the Biafran area. The Prime Minister reminded the House earlier this week that these efforts date from last year. They have been stepped up steadily in recent months and weeks. After the successful airlift operation last spring had to be stopped, the Red Cross determined to negotiate a firm arrangement which would allow a large, steady flow of relief supplies. They decided to press for daylight flights which the Nigerian authorities had indicated they might accept. I should like to point out that all observers, including Joint Church Aid and Canairelief, agree that daylight flights would be better and more effective than the hazardous night flights.

On July 10, the Secretary of State for External Affairs informed the House of his offer to supply inspectors who would control the relief shipments. It was then obvious that the Ojukwu regime would not accept flights from Nigeria and therefore we had expressed the opinion that this kind of shipment inspection would make it possible for the Nigerian Government to accept flights from elsewhere. Our proposal was well received, and we think that it prompted the Government to agree to another mode of inspection so that it could recognize direct flights from outside Nigeria into the secessionist area.

Early in August, the International Committee of the Red Cross proposed to both sides to set up day flights in the secessionist territory. By the middle of August, both sides had agreed in principle to these proposals; however, the Biafran answer stipulated that the Ojukwu regime would keep on using the Uli airport for its own operations. It is important to remember this point because, obviously, it has sometimes been forgotten when appraising subsequent events. There is no indication that the Ojukwu regime was then or later prepared to meet the only condition laid down by the Nigerian Government to the effect that there should be no shipment of military supplies during the day as long as the proposed relief flights would last.

Although no agreement was then signed, the Red Cross felt encouraged to have these arrangements confirmed, which was done on September 13 by the Nigerian Government. In so doing, the Nigerian authorities were making major concessions — namely the following, which is the most important: relief flights would not necessarily have to leave from Nigeria but could reach the secessionist region from Dahomey, the neighboring state.

The relief cargos could be inspected beforehand at Cotonou by representatives of the ICRC, the Government of Nigeria and the Government of Dahomey. The measures agreed to by the Nigerian Government would have allowed numerous direct daylight relief flights, while enabling them to make sure that the flights carried nothing but relief cargos and, in addition, they would have respected the condition made a long time ago by the secessionists — namely, that they would accept no help from Nigeria.

Two days after the Federal Military Government and the ICRC had signed an agreement for the implementation of this daylight relief flight program for an initial period of three weeks, a Biafran spokesman repudiated it. The Biafran press release invoked certain technicalities, stating that the agreement did not give enough guarantees against Nigerian military exploitation against those relief flights. The only acceptable guarantee in this regard, said the press release, would be that of a third government or of a politically-oriented international organization.

The Canadian Government, judging that the September 13 agreement offered a practical solution to the pressing necessity of transporting more relief cargos, immediately attempted, in agreement with other governments, to meet the new requirements of the Ojukwu regime. In the course of discussions with the American authorities, we now studied the possibility of putting Canadian observers on board the relief planes. Ambassador Ferguson formulated specific proposals concerning the guarantees that could be offered to alleviate Biafran concern with regard to the military advantages that might be derived from daylight relief flights, but the secessionist authorities rejected those proposals.

The Canadian Government, through the ICRC, has also reaffirmed its willingness to consider every practical means of promoting an agreement. It has asked the Ojukwu regime to reconsider its approach. All these efforts have remained fruitless.

It is obvious — and I can prove it — that, during the direct talks we had with them, the Ojukwu regime wanted to obtain political guarantees. In other words, the Ojukwu regime will not facilitate the relief flights its people so desperately need unless the Canadian Government and the other governments concerned accept the de facto recognition of Biafra as an independent state. Such are the facts.

I suggest that, under the circumstances, the Government cannot be blamed for a lack of interest in the welfare or even in the survival of the so sorely tried civilians of the secessionist area of Nigeria.

The fact that we openly refuse to interfere in the political matters of another country cannot simply be termed a technical reason or a matter of protocol. The fact that the Canadian Government is bent on acknowledging the resolutions of the OAU cannot be termed merely a scruple. The fact that we respect what we have helped to build — in this case, a friendly country, a member of the Commonwealth — cannot be termed stupid.

All these considerations are still significant if we want to play our part in the restoration work that will have to be undertaken as soon as the Nigerian conflict is over; if we want to retain the respect of the African continent as a whole; if we want to preserve abroad the image of Canada as a responsible country.

The Canadian Government also believes that no one should send arms to the Nigerian war theater. This is a firm statement, which has been enunciated publicly many times. It has also been expressed to the leaders of other governments by both the Prime Minister and the Secretary of State for External Affairs, and the statement is well known to Britain, the Soviet Union and the other countries involved.

Recently Mr. Stewart, the British Foreign Secretary, and Mr. Gromyko, the Foreign Secretary of the Soviet Union, were in Ottawa and, when the Nigerian conflict was discussed during their talks here, they were reminded of Canada's own policy of not supplying arms to this theater, as well as our own view that none should be supplied. Those are facts; I suggest nobody can accuse the Government of being passive.

Hon. Members will agree that the cessation of arms shipments to the Nigerian side only will not necessarily bring about an end to the war. Arms shipments to both sides must be stopped. But those countries that are reported to be supplying arms to the Biafran side deny such activity. As a result, it is extremely difficult to find a means of stopping all arms shipments. The Government of Canada again calls upon all who are supplying arms to the two sides in this tragic conflict to look again at their policies. A complete cessation of arms shipments would undoubtedly help bring the end of this tragic war closer and would save the lives of many. To conclude, I might recapitulate briefly the fundamental elements of the Government's position. First, we are prepared to make further substantial contributions to relief needs in Nigeria, through whatever feasible and appropriate means may be open to the Government.

Second, we, like many others, remain convinced that the early inauguration of daylight relief flights offers the most practicable and effective answer to immediate relief problems in the secessionist area.

Third, while keeping in close touch with the persistent efforts to bring about agreement on daylight flights, the Government is also exploring possible alternative means of improving the relief delivery situation. Fourth, we stand ready to assist, in any way that both parties wish us to do so, in promoting a negotiated peace settlement. Fifth and finally, we look toward an effective role for Canada in the work of rehabilitation and reconstruction which must follow conclusion of this tragic conflict. I know the whole House, with all Canadians, shares the Government's earnest hope that the day when this reconstruction process can begin will not be much longer deferred. Nigeria has always been an important area for Canadian economic aid, as shown by the nearly \$20 million that we have provided since independence, in addition to the \$3 million in relief. Peace will allow these important programs to go forward with new vigor.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/24

A NEW LOOK AT CANADA AND EUROPE

Text of Speech by Mr. Jean-Pierre Goyer, Parliamentary Secretary to the Secretary of State for External Affairs, to the Consultative Assembly of the Western European Union, Paris, December 10, 1969.

I should like first to thank the Assembly for having invited us to send an observer to this session. I am delighted to have this opportunity of discussing, from the viewpoint of Canada's relations with Europe, the subjects you will be considering in terms of Europe's relations with the United States. Canada's views on co-operation with Europe and on European security can provide a supplementary contribution to the discussion. In a way, Canada constitutes an added dimension to the questions on the agenda, and I presume that it was with this in mind that your invitation was extended.

Geographical, historical and commercial factors, together with our political objectives, have created a broad variety of interests unique in the world for a country with Canada's population. Canada has access to three oceans: the Atlantic, the Pacific and the Arctic. We have a common border with the United States, and close relations with Europe; our acquaintance with Asian countries, especially Japan and soon, perhaps, the People's Republic of China, is developing very rapidly. We are making our presence felt more and more in both English-speaking and French-speaking Africa, and we are in the process of rediscovering Latin America, whose peoples share the same hemisphere with us.

This is the background against which our young country has achieved such rapid growth.

At this stage in its political life, Canada feels a need to pause, reconsider its objectives, and see whether its policies are still based on its own best interests and those of the international community - in other words, to review the premises on which its activities are founded, in order that they may reflect contemporary needs.

With this in mind, it is only natural that we should reconsider our relations with Europe.

A desire for co-operation based solely on good intentions is usually fruitless. In order to succeed, co-operation must meet real and specific needs. We must both define our positions and determine priorities in accordance with

our basic requirements, and then decide in what ways co-operation can help us to achieve our common objectives more efficiently and economically.

Having stated the question thus, I intend now to analyse briefly our relations with Europe, what they have been until now, and what new elements they have acquired, in order to bring out a number of consequences that appear to follow from them.

Canada possesses a broad foundation on which to develop its relations with Europe. It is at the meeting-point of two civilizations - the European and the American. Geographically and historically, it is an American country, but it retains close kinship with Europe.

Almost all Canadians (96.8 per cent, according to the 1961 census) are of European origin. Forty-three per cent of these Canadians are of English, Irish, Scottish or Welsh ancestry, 30.4 per cent French, 5.8 per cent German and, in fourth place, 2.6 per cent Ukrainian. About 14 per cent of Canada's present population were born in Europe. With so many Canadians of European birth or origin, it is not surprising that European cultural influences have been so dominant.

Our constitutional and judicial institutions, for example, have been very largely based on yours. Our cultures have developed more or less in symbiosis with one another, and are continuing to do so more and more as a result of the recent extraordinary progress in the field of communication. On both sides of the Atlantic, patterns of economic and political behavior are rooted in certain basic values that underlie Western civilization.

In the field of foreign policy, circumstances have dictated that Canada should be associated with the United States and Western Europe. Through two world wars we have been closely involved in events in Europe. For 20 years Canada has been a member of a defensive alliance with Western Europe and the United States. Peace, prosperity and stability in Europe are of direct concern to Canada, since it could not hope to escape the consequences of any world conflict that might result from a failure to settle Europe's problems. In a way, Canada's security is rooted in Europe, where its interests are bound up with those of its allies. It is thus entirely natural that Canada should be associated with all discussions aimed at reducing tensions in Europe.

Times change, however, and the situation is not the same as it was 20 years ago, either for Canada or for Europe. The political, economic, commercial and technological circumstances are different. Even in cultural matters, opportunities for co-operation exist now that were difficult to imagine a few short years ago.

In these 20 years, many things have come to pass in the world, and in Canada, that prompt us to re-examine things from a fresh angle, from a point of view more in keeping with the new situation. Canada, like any other country, must adapt itself to the new conditions prevailing in the world in which it must live and develop.

What can we observe in the world today?

The military and destructive power of some countries is now greater than it has ever been. Paradoxically, it is this very power that has so far frustrated

any desire to make use of the weapons available. The fact remains that military power is, nonetheless, used to perpetuate hegemonies that have no real place in our conception of true liberty.

Material prosperity has never been so great in all history; nevertheless, it must be noted that the gap between the poor nations and the rich has never been so wide. Technology brings great benefits, but it also forces us to make a reappraisal of the very foundations of our society. Today's world is different from that of the fifties: the present intercourse between peoples is making our world smaller and bringing countries on all continents to a state of solidarity and interdependence. Now that television permits us to admire a view of the earth as seen from the moon, we can contemplate the pettiness of our concerns, the futility of our quarrels.

Europe, too, has changed. Today most of its countries enjoy economic prosperity and are investing more and more in scientific research and adapting their production methods to meet the requirements of modern technology. Europe has also set its eyes on the goal of unity, as simple self-interest dictates. Its tremendous potential will be realized as and when this unity becomes fact. Canada, for its part, has been influenced by the ebb and flow of events in the world around it.

Until recent years, Canada has concentrated on furthering its own development and fostering national unity and creating a national identity. From now on, Canada intends to regard its own development, taking account of all relevant factors, including its pluralism and its linguistic duality - essential elements of the Canadian identity -, as one of the foundations of its foreign policy. Canada wants to build a just society characterized by better distribution of the country's wealth and to contribute to a pursuit of the same objective on an international scale. It wants to continue to play an active role in the world, but a role better adapted to its means and resources.

It was inevitable that new conditions in the world, in Europe and in Canada, should lead the Government and people of this country to attempt to define the place it should occupy in the international community.

One of the first conclusions to emerge from our studies is that Canada's role in the defence of the European continent as a member of NATO must be more in keeping with the realities of the world in which we live and with the internal situation in Canada itself. There is no question of Canada's becoming a neutral country, passive and isolated. I believe that such a move would be at variance with our common aims and interests. It is with this in mind that the Government has recently decided to continue its participation in NATO while reviewing Canada's role in the alliance.

There are two main factors involved. Firstly, Canada is the only country, apart from the United States, contributing to two collective security systems - NATO and NORAD, which joins us with the United States in the defence of North America. The question is - to what extent can we contribute to NATO in Europe while assuring our sovereignty and security? When we add to these major military deployments the various peacekeeping tasks performed by Canada throughout the world under the auspices of the United Nations, we are faced with the realization that the Canadian military budget, like all other budgets, must be established in a context of priorities.

Secondly, the European members of NATO are better-equipped than in the past to provide the conventional means required for individual and continental defence. In this connection, the Prime Minister of Canada, speaking in the House of Commons last April, stated:

"We feel that Europe, 20 years after the establishment of NATO, can defend itself better, and we hope that NATO's European member countries, with the support of the United States and Canada, can reach some agreement with the Warsaw Pact countries to de-escalate the present tension. For our part, we are not now advocating a reduction of NATO's total military strength, although we hope that this may become possible, but a readjustment of commitments among NATO members."

At the last ministerial meeting in Brussels, NATO reaffirmed its wish to promote an improvement in East-West relations, and Canada intends to make this the basis of future policy. We wish to give the same priority to and expend as much energy in this new rôle as we have done militarily within the alliance.

In this context, we view NATO conferences on European security as more important than ever. NATO and the Warsaw Pact publish collective statements as a matter of course. As far as NATO is concerned, this is the natural result of the political consultation upon which alliance members, especially the middle powers, have long insisted. Nevertheless, I hope that such consultation will not represent the limit of dialogue on European problems. Such problems cannot, I feel, be solved through a simple exchange of statements between blocs. Discussion will surely have to be on a much broader level and involve all European states, as well as the U.S.A. and Canada. The dialogue must be extremely flexible in character, so that in theory no topic is barred, whether in connection with security or any other issue. Canada's interest in Europe obviously goes beyond the problem of European security; there is considerable interest in political, economic, cultural, scientific and technological matters. I should like to limit my remarks to two particular areas: our economic relations and our co-operation in the field of science and technology. Economically speaking, we feel the influence of economic and monetary circumstances in Europe. Our trade, our industries and our agriculture are affected. The search for European economic unity cannot be viewed with indifference by third countries. In truth, we are following the build-up of the European community with a great deal of interest. We are not opposing this movement towards unity; that would be fighting progress. Quite the contrary, we wish to contribute to that unity, to take it into account immediately and to learn to profit from it. Of course, in order to do so, it must be made clear that Europe itself is no longer the same as before and that therefore our relations with Europe must not only accommodate this fact but must evolve at the same rate as the changes taking place and even attempt to predict them. On the whole, we are still guided by the hope that greater European prosperity, made possible by the Common Market, will improve our economic prospects and will open the way to wider financial and commercial relations.

At present, about 20 per cent of our exports go to Western Europe and Britain. This is very little when we consider that Europe has a population of several hundred million and, consequently, is the area that, in principle, offers the best prospects for diversifying our trade. Multilateral negotiations within GATT on the reduction

of tariffs or the elimination of non-tariff or para-tariff barriers would increase trade between Canada and Europe. However, that should not hinder the search for bilateral solutions which may be mutually beneficial. The spirit of full participation generally prevalent in Europe during the Kennedy Round negotiations was not as fully apparent in certain sectors as we should have wished. Canada has increased its exports, particularly manufactured goods, to Europe, but Canadian exports of agricultural products and industrial goods continue to be beset with difficulties.

Moreover, for approximately two years there has been a very marked increase in private and public loans contracted on the European financial market. Although it is still modest, European investment in Canada has also increased. We could accept even more European investment capital which could be used profitably in Canada.

Nor is there any doubt that scientific and industrial co-operation between Canada and European countries could be increased. To date, Canada's technological co-operation with Europe has not been significant. No major joint project has been carried out. Nevertheless, Canadian scientists, individually or through international organizations, have established personal contacts with their European counterparts in most sectors of their scientific activities. Are such exchanges however, the answer today to the growing importance of modern science and technology in our respective countries? We have all achieved sufficient progress in certain sectors that mutually profitable co-operation can henceforth materialize. In my opinion, such sectors are satellites and space research, atomic energy, transport and communications, oceanography and computers.

It is quite clear from the foregoing, I believe, that Europe ranks high in our foreign relations. The nature of our relations may have changed or evolved, our objectives may have been redefined, but this does not necessarily imply that our interest in European countries has diminished.

It is perhaps more important than ever that we understand one another. This is why I eagerly accepted the invitation to speak to you today. I am pleased to have been able to point out the importance we attach to co-operation with Europe in the various sectors where our mutual interests are most pronounced. We should like to see the idea that new forms of Canadian-European relation must be developed gain ground because they are in keeping with the basic aspects of our reciprocal interests. In this regard, our meeting today is a step in the right direction.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 69/25

AN ERA OF CHANGE FOR EUROPE AND NATO

A Statement to the House of Commons on December 8, 1969, by the Secretary of State for External Affairs, the Honorable Mitchell Sharp.

I should like to report to the House on the NATO meeting from which the Minister of National Defence and I have just returned. I am tabling herewith the communiqué and the accompanying declaration which were issued at the close of the meeting....

... There is a coming-together of events in Europe today that opens the way to profound change. Basic differences between East and West will not be resolved overnight, but there is reason to believe that a new era of genuine negotiation has begun.

Three new developments herald this era of change. The most important, which may well turn out to be a turning-point in postwar history, is the opening in Helsinki last month of preliminary discussions between the United States and the Soviet Union on the limitation of strategic nuclear weapons - the "SALT" talks. The ground for these talks was prepared in NATO and at last week's meeting Secretary of State Rogers gave us a confidential report on progress to date. The very fact that these talks have begun in a business-like way has changed the East-West climate and brought a sense of cautious hope into East-West relations.

The second development of major importance is the manifest intention of West Germany to work out new relations with East Germany, Poland, the Soviet Union and other countries of Eastern Europe. This new West German policy has added new momentum to the search for negotiated settlements in Europe.

The third development of potentially historic significance was last week's summit meeting of the six Common Market countries at The Hague. The extent of agreement achieved at this meeting has created a new mood of optimism and co-operation in Western Europe - a development that will encourage new approaches to the problems of Europe as a whole.

It was in this atmosphere of movement and progress that the NATO ministers discussed and defined their common position. They did so in the knowledge that the outcome of their meeting as made known to both East and West by the communiqué and declaration, and by less formal but still important press reports, would become part of the evolving discourse among the nations concerned with the future Europe and its people.

The NATO Council functions not only as an important point of exchange and consultation for the ideas and intentions of its members but also as a transmitting station for signals to the other side. The issues before the recent meeting were, simply stated, what ideas and intentions should be conveyed to the countries of Eastern Europe, and in what ways they should be carried forward. All those present at the meeting had very much in mind that the ideas conveyed and the manner of their communication should be such as to make clear our desire to improve relations and negotiate outstanding issues. For our own part, in our contribution to the Brussels meeting we sought to advocate attitudes and measures which would be both realistic and conciliatory, to steer between the rigid "No" and the unthinking "Yes".

At the meeting, I put forward the view that NATO should seize the initiative by showing a clear willingness to start discussion of specific issues. The inclusion in the declaration of a proposal for early discussions on mutual and balanced reductions in Europe is one example of this, in the sensitive but vital field of arms control. This proposal is an advance on the previous NATO position and one that we actively promoted. We should have preferred a more precise formula, making clear, for instance, the regional limits and other detailed conditions which in the view of NATO members would govern any such force reductions. Others felt that such specifics should await some response from the nations of Eastern Europe, which up to now has not been forthcoming.

The declaration contains a section on Germany and Berlin which, among other things, gives support to the proposals of the West German Government for a modus vivendi between the two parts of Germany and for a related bilateral exchange of declarations on the non-use of force. I have no doubt of the firm resolve of Chancellor Willy Brandt's Government to break new ground in searching for solutions to the complex problems which have divided Europe for a generation. The response of the East to these overtures will be an important test of their intentions. The news this morning that negotiations have begun between the Soviet Union and the Federal German Republic on an exchange of declarations renouncing the use of force is a hopeful sign.

I also suggested that it would be useful to broaden the East-West dialogue to include discussion of non-political subjects such as the pollution of the environment, about which both sides are increasingly concerned, and the declaration also invites co-operation on this topic.

There has been much public discussion of the idea of a European security conference. I hope that such a conference will be held, at the right time and in the right circumstances. Such a conference is only one way of making progress toward the settlement of European problems, and for the time being it may not be the most effective.

Bilateral governmental contacts between countries of Eastern and Western Europe are a commonplace today, and there are many multilateral opportunities that underline the point that there is no shortage of meeting places or meetings. Canada attaches great importance to this process and plays an active part, as illustrated by the recent visit to Ottawa of the Soviet Foreign Minister, Mr. Gromyko.

Secondly, I do not doubt that, if and when it appears that a full security conference would be productive of tangible results, it could be readily organized. I am equally certain that Canada would be among the participating nations. What

does, however, concern many Western governments is that, if such a conference were held prematurely, it might prejudice the important progressive trends now so promising in Europe. Negotiations can make progress only when the other side displays a readiness to talk about something more than a mere freezing of the status quo in Europe. It would not make sense for the Western countries to be beguiled into a conference where the cards are stacked in advance against an outcome reasonably acceptable to both sides. The consensus emerging from the meeting reflects these factors, while keeping open the door to a conference.

The problem of procedures for organizing negotiations with the other side is a complex one. Bilateral contacts may be more suitable at present for some issues, limited multilateral discussions for others, and a general conference including the neutral nations of Europe will probably become appropriate in due course. We proposed some weeks ago that there should now be a detailed alliance study of this question of procedures for negotiation, and I am very pleased to report that, following the Canadian suggestion, the declaration includes a specific request to have the NATO Council study this issue and report on it to our next ministerial meeting in May.

Discussions at NATO meetings are necessarily detailed and sometimes technical. It isn't easy to get agreement when 15 governments, each with its own essential national interests and its own way of looking at things, are involved. I can tell the House, however, that some real progress was made last week. It was encouraging to me, and to all who were with me, to find a new and more hopeful atmosphere and a new resolve that the arid confrontation that has for too long characterized East-West relations should be brought to an end - not by any sudden dramatic initiative, but by steady and careful negotiation of specific issues, starting with those that show the best chances for success.

We found a new climate in Europe, a new dynamic in the Common Market, that points the way to enlargement of the Community and strengthening of ties between its members, a new German Government already working towards a modus vivendi with East Germany. Above all, we found a new atmosphere of hope brought about by the promise of progress in the SALT talks. I was encouraged, as I know all members of this House will be, to find NATO sensitive to the new trends, contributing to the great events that are taking place, and looking beyond its essential defence functions to the opportunities for a more positive role in securing the peace in Europe.

I took advantage of the NATO meeting to have individual talks with some of my NATO colleagues. I met with the Foreign Ministers of Italy and Turkey and had brief sessions with the German Foreign Minister and the United States Secretary of State. I also had a useful discussion with the French Foreign Minister of our bilateral relations, and I am glad to say that there was mutual agreement that we should work out arrangements to avoid future incidents of the kind that have marred our relations in the recent past. I am hopeful that in this way we may be able to put our relations on a better footing.



STATEMENTS AND SPEECHES



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 70/1

PERSPECTIVES IN FOREIGN POLICY

An Address by the Secretary of State for External Affairs,
the Honorable Mitchell Sharp, to the Junior Chambers of
Commerce, Edmonton, January 17, ~~1959~~ 1970.

... The Federal Government must serve all Canada and the interests of all Canadians. To do this effectively members of the Government must see and know Canada as it is. This isn't easy, Canada is so vast in extent and varies so greatly regionally that no one person can in a lifetime see it all, much less come to know it all. In the weekend I am spending in Alberta ..., I shall be talking to all kinds of people and trying to see Canada in a Western perspective. My own life, spent partly in the West and partly in the East, and my travels throughout the country have made me realize that Canada looks different when seen from different centers. For each of us, the center of Canada and the center of the world is the place where we live and work.

A map of the world printed in London shows the British Isles as the center of the world. The same map published in Toronto or New York has North America at the center. I have never seen a map of the world printed in Tokyo but feel sure that it would show the Japanese islands at the center. Early maps of the world produced in China took this tendency to its logical extreme. They show China as a large land-mass in the center with a number of vague free-form islands on the perimeter labelled England, France, America, Japan and so on. While perhaps this reflects the Chinese outlook on life as much as their geographical concepts, it contains a germ of truth; we now have a better idea of the shape of the world, but, in a very real sense, for each of us his own place is the center of the world and everywhere else is seen in relation to it and in its perspective.

Geographical, Political and Economic Realities

Perhaps you feel I have taken a somewhat roundabout route to come to my subject, "Perspectives in Canadian Foreign Policy". The review of our foreign policy which is now reaching its conclusion has been very much concerned with this whole question of orientation. Until the early years of this century, Canada was oriented towards Europe -- saw itself, perhaps, as a Western extension of Europe. The emergence of the United States as a world power and a pervasive economic influence enlarged our perspective so that in our world-view we came to look southward as well as eastward. The profound and far-reaching changes in the political and economic maps of the world in the last

25 years have brought home to us that our traditional orientation toward Western Europe and the United States cannot sufficiently serve our interests. We must come to terms with the geographical, political and economic realities of modern Canada. As the Prime Minister said in Calgary last year, we are not just a North Atlantic nation and an American nation, we are an Arctic nation and a Pacific nation. These extra dimensions of Canada are seen in sharper focus here in Edmonton than in the East. The presence here today of Junior Chambers of Commerce from the Northwest Territories is evidence of the close ties you have with the North. The fast-growing trade the West generally, and British Columbia and Alberta particularly, have with Japan and other nations to the West of us is evidence of Canada's growing importance as a Pacific nation.

Some observers, notably Europeans, decry what they perceive as a lessening of our ties with Europe. This is a misunderstanding of what is happening. We are not changing our perspective, we are enlarging it. Nor are we engaging in any kind of adventuristic realignment in political terms; we remain committed and faithful to our alliances -- with the NATO nations for the defence of the Western world, with the United States in NORAD for the security of the continent we share. We are taking our proper place in the community of nations, seeing the whole world in a Canadian perspective, developing a foreign policy that will best serve the interests of all Canadians.

You will be relieved to learn that I do not intend to expound to you this evening all the ramifications of Canadian foreign policy -- toward Africa, and particularly francophone Africa, Latin America, the Middle East and the Communist world. This is not an occasion to produce in summary form the White Papers that will be published later this year.

Orientation in the Postwar World

The review of our foreign policy takes into account the orientation of modern Canada to the new world that has emerged since the Second World War. It also has a conceptual dimension. Foreign policy in Canada has traditionally been regarded as a matter for professionals, of great importance for the preservation of our sovereignty and territorial integrity but having little effect on the daily lives of Canadians. This is changing. In part, the change is a result of the explosion of communications, the coming into being of the "global village". We have more immediate information of events today in Nigeria than we had of events in another part of Canada 50 years ago. In part the change is due to the growing realization that foreign policy is not a thing in itself but rather an external dimension of domestic policy. Both are aspects of one central national policy -- to preserve and strengthen Canada and to preserve and enhance the well-being of all Canadians now and for the future. External policy itself has several dimensions, two of which are the political and economic. These too are indissolubly linked. We must be equally concerned with the preservation of our national sovereignty and the preservation of our economic health. Both of these are essential to the well-being of all our people, particularly in our case, where, as a great trading nation, we must steadily increase our exports or wither away into penury. There is a common misconception that my Department in Ottawa, with its posts and embassies abroad, serves some generalized national interest. I suppose it does, but this isn't the whole story. The purpose of Canadian missions abroad is to serve the interests of all parts of Canada, and all sectors of the Canadian economy. They do this in close co-operation with our sister Department of Industry, Trade and Commerce, which provides a component

in nearly every diplomatic mission and maintains a number of posts of its own where our interests are essentially trade-oriented. There is a growing number of provincial trade missions, from Alberta as from other provinces, travelling abroad. I think it is fair to say that those taking part in such missions have been impressed by the expertise available to them in our posts abroad, and by the understanding of their specific needs and interests shown by External and Trade and Commerce personnel resident in their target countries.

I should like to turn now from the more general considerations of foreign policy and its domestic implications to some questions of specific interest to this part of Canada. First, to our growing trade with the nations on the "Pacific rim".

Canada and the Pacific

The importance of the Pacific to the Canadian economy today is not always realized. In 1968, the "Pacific rim" was our third-ranking market, following the U.S.A. and Western Europe. Canadian exports to the Pacific (excluding the U.S.A. and Latin America) amounted in 1968 to more than a billion dollars -- double those of 1963. This performance has been sustained during 1969. In the decade from 1958 to 1968, Canadian exports to the world increased 175 per cent but those to the Pacific market increased by more than 400 per cent. The large component of our trade in the Pacific directed to Japan is not likely to change essentially in the 1970s, although we may expect a wider market for finished goods if, as we hope, access to the Japanese market is further eased. In the rest of the Pacific, the drive to industrialization in the less-developed countries should result in larger exports of Canadian capital goods and raw materials. The mutual trade of the developed nations of the Pacific -- the U.S.A., Japan, Canada, Australia and New Zealand -- is increasing at an average annual rate of 15 per cent. If this continues, such trade (apart from Canada-U.S.A. trade) would amount to more than \$20 billion by 1972. Canada has a favorable trade balance with our main markets in the Pacific area, which helps to balance our trade exchanges with the rest of the world.

Western Canadian trade in the Pacific is proportionately even more important. Of the 54 commodities from Canada selling in Japan in amounts beyond \$1 million a year and accounting for 93 per cent of our trade with that country, 48 originate in Western Canada. A similar situation exists vis-à-vis other Pacific countries. The growth of our commercial interests in the Pacific has stimulated the growth of Western Canada industrially and in terms of population.

Japanese Trade and Investment

In Alberta today good work is being done to foster our economic co-operation with Japan by the development of coal and copper and other commodity resources. The Japanese market is one of the fastest-growing in the world and Japan in turn has much of interest to sell here. We are continually expanding our economic trade and investment ties with Japan. The Japanese have already invested a great deal in Western Canada - some \$100 million by the end of 1968 - and this investment is expected to increase substantially in the future. We have pointed out to our Japanese friends that the content of our exports to Japan could easily be upgraded to their benefit and ours. If, as seems to be the case, the Japanese prefer to arrange long-term contracts for raw materials, this same approach may be followed for other important areas of trade, such as cereals and

tobacco. We expect that the Japanese will continue to liberalize their market as they have already begun to do. Their remarkable progress economically in the last years certainly shows that their economy compares favorably with the most advanced countries in the world.

I do not wish to make a catalogue today of our economic relations with all countries in the Pacific Basin. The case of Japan alone is convincing. Our trade relations with Australia and New Zealand are good and growing; we are at present engaged in a renegotiation of our Trade Agreement with New Zealand and have every hope that this will result in a satisfactory new arrangement for both parties.

Commodity Trade

Among the most important items in Pacific trade are commodities of various kinds, for a number of which commodity arrangements have been worked out, such as the International Grains Arrangement. I do not need to tell this audience that, owing to the international over-supply of wheat, and to the trading practices of certain other exporters, there has been considerable pressure on wheat prices in recent months. The result has been a major threat to traditional Canadian markets such as Japan. Consultations are continuing to re-establish stability in world markets and our recent deliveries to the Soviet Union suggest that we may be entering a period of improved sales and price stability. I hope that this is so. One of the main international concerns of the Federal Government today is the re-establishment of firm wheat prices and firm wheat markets.

There have been a number of efforts in recent years to promote broad co-operation among countries bordering the Pacific. This has come to be known as Pacific Basin Economic Co-operation. It is an attractive conception. Our trade with the region is growing rapidly. To a large extent, trading countries in the Pacific are complementary rather than competitive and have a good deal to offer each other. The great multinational corporations, often based in the developed countries in the region, can be of considerable importance to the developing countries in terms of the potential they have for promoting their economic growth. Canadian firms, for example, are increasingly active in the Pacific area in resource development.

Pacific Involvement Waxes

Canadians generally now recognize, as many in the West have long done, the development occurring in the Pacific area. The Government is anxious to encourage such involvement. Our large-scale participation in Expo 70 in Osaka is one example of this. We are also examining ways in which we can expand our diplomatic, commercial and other links with Pacific Basin countries. Prime Minister Trudeau, as you may already be aware, is planning a trip to the Pacific Basin this spring, during the course of which he will visit a number of countries before going to Japan and touring Expo 70. This will be a major tour of Pacific countries and indicates clearly the Canadian interest in that part of the world.

Our initiative in seeking an exchange of diplomats between Ottawa and Peking reflects, first and foremost, our belief that world security requires the presence of China as an active and participating member of the community of nations.

This has long been an underlying principle of Canadian foreign policy. That we have taken action now reflects the widening of our national perspective and our growing interest in the Pacific area.

Northern Area of Concentration

The second new area of concentration that I wish to touch upon briefly is the North. Edmonton is the most northward-oriented of Canadian cities and I am happy to know that in this audience are many who live and work on Canada's last frontier. Recent oil discoveries in the North -- some announced only in the last few days -- have highlighted the enormous economic potential of this part of Canada. These discoveries have raised problems about our sovereignty in the North -- not over northern territories and islands, for this is undisputed and not negotiable, but over sectors of the waters of the Arctic Archipelago. I have nothing new to report upon this except to tell you that the matter is of urgent concern to the Government and its principal law officers. Northward, across the pole, lies our great Arctic neighbor, the Soviet Union, the one nation on earth that has an Arctic tract comparable to ours. The North is more than a source of petroleum and mineral wealth -- it is an area where people will live in increasing numbers. For historical and economic reasons, the Soviet Union has made more progress than Canada in the science of northern living. One of these reasons is that the Soviet Union can direct the movement of its people. I am glad that we cannot, but we have much to learn from them. We are now engaged in technological and scientific exchanges with them and some high-level fact-finding missions to the Soviet Arctic are planned.

Oil and Energy

Mention of oil naturally brings up the subject of oil exports to the United States and questions about a continental energy policy. One of the frustrations of being Foreign Minister is that subjects of current concern upon which one would like to speak openly and fully always seem to be in a delicate state of negotiation. I suppose if they weren't they wouldn't be current. In the present discussions with the United States we have one object only -- to get the best possible deal for Canadian oil in the United States market. The wider issues that have been raised are for long-term consideration and discussion. The Government believes in the orderly development of North American resources, but in a manner that fully protects present and future Canadian interests.

Another aspect of our economic relations with the U.S.A. of particular concern to you is the complex of transportation connections that links our two countries -- in particular, the expansion of air routes between points in Canada and points in the U.S.A. Proposals have been made by a number of Canadian cities, including Edmonton, for an expansion of air services to include direct links between them and a number of centers in the U.S.A. The Government supports these proposals. The Canadian delegation to the current bilateral talks which began in December and resume in February has instructions to seek maximum benefits for Canada. As usual, it is too early to say what the outcome of these negotiations will be, but we expect that it will be favorable to Western aspirations.

Foreign policy and domestic policy are the two dimensions of our national policy. Talking to you today about foreign policy I have tried to show how it serves the general national interest on the one hand and the specific interests of different parts of the country and different sectors of the economy on the other. This calls at times for a skilful balancing act, it isn't always possible to advance every specific interest at the same time. Canada is divided into a number of great regions, with many international interests; its economy falls into a number of sectors that must compete for a place in the sun when tariffs and trade agreements are being negotiated. It is the special task of the Government to establish priorities and advance local interests in a manner calculated to promote the general Canadian interest. Let me assure you that, in the performance of this task, no part of Canada takes precedence. Our international dealings serve the West and the East, the Pacific Coast and the Atlantic Provinces. After all, it is only in this way that Canada can be served and will remain united.

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 70/2

JUN 10 1970
MR. SHARP VISITS PARIS AND BONN

A Statement to the House of Commons on April 9, 1970,
by the Secretary of State for External Affairs, the
Honourable Mitchell Sharp.

... I went to Paris to open the new Canadian Cultural Centre there and to talk to Mr. Maurice Schumann, the French Foreign Minister, and to Bonn to return the visit paid to Canada last year by Mr. Willy Brandt, who is now the Chancellor, and to discuss matters of common interest with members of the German Government.

Our new Cultural Centre in Paris will assist Canadians in France, especially students, and bring to the French people information about Canada, reflecting our bilingual and bicultural character and the many cultural strands that make up the Canadian fabric. The director of the Centre is Mr. Guy Viau, who was Assistant Director of the National Gallery here before taking up his new responsibilities. Mr. Viau is particularly well qualified for the job, and I am sure that the Centre, under his direction, will forge new ties between Canada and France.

The interest of the French Government and the people in the new Centre and in Canada as a meeting-place of two great cultures was well expressed by the French Government's representative at the inaugural ceremonies, Mr. Léo Hamon, who said:

"What makes your country unique is the imbrication and the juxtaposition of its two cultures. This Centre will fully reflect the originality and the wealth of resources of a country intent on retaining its own personality in the New World notwithstanding the size and power of its southern neighbour, which can be achieved only by preserving its diversity."

In Paris I met with the French Foreign Minister, Mr. Maurice Schumann. The principal subject we discussed was our bilateral relations, and the most important part for me was Mr. Schumann's categorical statement that the French Government has absolutely no intention of intervening in the internal affairs of Canada. If there is no misunderstanding between us about this, and I hope there is not, our problems will be easier to deal with in the future.

I explained to Mr. Schumann what I consider to be the three basic elements on which good relations between France and Canada should rest: first, that co-operation between France and Quebec, which we regard as being of first importance, must be carried out in consultation with the Canadian Government; second, that co-operation between France and Canada must be practical in nature and not confined to expressions of goodwill; third, that France must avoid taking positions contrary to the Canadian constitution.

As a result of this frank exchange, I feel we have laid a foundation for avoiding in future some of the incidents which have in the past caused unnecessary strain and tension between us.

In Bonn my objective was to establish a better mutual understanding of our respective policies on international problems of common concern, and to prepare the way for more intensive bilateral co-operation between our two countries.

I got a firsthand account from the German Foreign Minister, Mr. Walter Scheel, of the Federal Government's efforts to improve relations with their Eastern neighbours and to develop a more integrated community in Western Europe, efforts which naturally form an overwhelming part of German preoccupations at the moment. I expressed the admiration of the Canadian Government for the courage, imagination and realism of the Federal Government in these efforts.

The Germans expressed their appreciation for Canadian understanding and support. They also stressed the importance they attached to the maintenance of an active Canadian role in both the defence and détente efforts of NATO. I reaffirmed the importance for Canada of our ties with Europe, not only from the security point of view but also as a means of diversifying our external relations.

I discussed with several members of the German Federal Government ways of strengthening the functional co-operation between our two countries, particularly in the fields of science and technology, where both countries have something to contribute and something to gain from more intensive and systematic exchanges. We agreed to proceed in a pragmatic way to identify specific areas where the prospects for such exchanges are most promising. I hope it will be possible to send a mission to the German Federal Republic within the year to follow up these initiatives in greater detail.

I took the opportunity of these visits to let both the French and German Governments know of the Canadian Government's concerns about the repercussions of certain commercial and agricultural policies of the European Economic Community, particularly in relation to grain production and trade. Our desire is to increase consultations with the EEC on these matters so that the transatlantic co-operation to which we attach so much importance will be strengthened rather than weakened.

STATEMENTS AND SPEECHES



CANADA

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/3

CANADA LEADS THE FIGHT AGAINST POLLUTION

Part of an Address by Prime Minister the
Right Honourable Pierre Elliott Trudeau
to the Annual Meeting of The Canadian
Press in Toronto on April 15, 1970.

...If part of our heritage is our wilderness, and if the measure of Canada is the quality of the life available to Canadians, then we must act should there be any threat to either. We must act to protect the freshness of our air and the purity of our water; we must act to conserve our living resources. If necessary, we must offer leadership to the world in these respects and withstand the cries of complaining vested interests. We have offered that leadership in the Arctic Pollution Bill introduced last week. The bill, I suggest, is a good example of Canada acting in a responsible manner in a vitally important area.

The Arctic ice-pack has been described as the most significant surface area of the globe, for it controls the temperature of much of the northern hemisphere. Its continued existence in unspoiled form is vital to all mankind. The single most imminent threat to the Arctic at this time is that of a large oil-spill. Not only are the hazards of Arctic navigation much greater than are found elsewhere, making the risk of break-up or sinking one of constant concern, but any major maritime tragedy there would have disastrous and irreversible consequences. The deleterious effects to the environment of a major oil-spill would be so much greater than those of a spill of similar size in temperate or tropical waters that the result can be said with scientific accuracy to be qualitatively different. For example, the injuries which would result cannot be measured in terms of dollars, as they can elsewhere, because the damages would not be of a temporary nature. Nor is there now known any technique or process which can control, dispel or reduce vagrant oil loose in Arctic waters. Such oil would spread immediately beneath ice many feet thick; it would congeal and block the breathing holes of the peculiar species of mammal that frequent the region; it would destroy effectively the primary source of food for Eskimos and carnivorous wildlife throughout an area of thousands of square miles; it would foul and destroy the only known nesting areas of several species of wild birds.

Because of the minute rate of hydrocarbon decomposition in frigid areas, the presence of any such oil must be regarded as permanent. The disastrous consequences which the presence would have upon the marine plankton, upon the process of oxygenation in Arctic North America, and upon other natural and vital processes of the biosphere, are incalculable in their extent.

Involved here, in short, are issues which even the more conservative of environmental scientists do not hesitate to describe as being of a magnitude which is capable of affecting the quality, and perhaps the continued existence, of human and animal life in vast regions of North America and elsewhere. These are issues of such immense importance that they demand prompt and effective action. But this huge area cannot be protected by Canada alone. Just as the Arctic environment is of benefit to many nations, so only, in the long run, will international controls be able effectively to protect it.

At the moment, there are some 20 major international agencies dealing with one or another aspect of environment protection. The United Nations is sponsoring a World Conference on the Human Environment, to be held in Stockholm in 1972. Canada is working energetically as a member of the preparatory committee for that conference and will press for the rapid introduction of a system of international environmental law to protect all vulnerable areas. But experience cautions us that we cannot sit back and assume that the present pace of development of international regulations is sufficient to prevent pollution from occurring at an early date in the Canadian Arctic. Nor need we rely on our own experience to come to such a conclusion. Mr. George Kennan, a distinguished American diplomat now a member of the faculty of Princeton University, referred to the activities of all these international agencies in an article in the current issue of Foreign Affairs. He wrote:

"...it is evident that present activities have not halted or reversed environmental deterioration. There is no reason to suppose, for example, that they will stop, or even reduce significantly at an early date, the massive spillage of oil into the high seas, now estimated at a million tons per annum and presumably steadily increasing. They will not assure the placing of reasonable limitations on the size of tankers, or the enforcement of proper rules for the operation of these and other great vessels on the oceans. They will not, as they now stand, give humanity in general any protection against the misuse and plundering of the seabed for selfish national purposes. They will not put a stop to the proliferation of oil-rigs in coastal and international waters, with all the dangers this presents for navigation and for the purity and ecological balance of the sea. They will not, except in a degree already recognized as quite unsatisfactory, protect the fish resources of the high seas from progressive destruction or depletion.... they will not assure that all uses of outer space, as well as of the polar extremities of the planet, are properly controlled in the interests of humanity as a whole."

Mr. Kennan calls for an effective international régime and he calls for it now. We join with him in that appeal. We know, however, that the international community moves slowly in the creation of new law and the construction of new apparatus. We have no reason to believe that such a régime can be expected within the next few months, or even years. But we know that Arctic shipping and Arctic mineral exploration activities are occurring now and that in the interest of Northern Canada they must be controlled and encouraged. Until such a régime exists, therefore, Canada must take steps to ensure that irreparable harm will not occur in the interim.

This is why I stated in the House of Commons last October that we were inviting the international community to join with us and to support our initiative for a new concept, an international legal régime designed to ensure to human beings the right to live in a wholesome, natural environment. I repeat now what I said at that time, that a combination of an international régime, and the exercise by the Canadian Government of its own authority in the Canadian Arctic, will go some considerable distance to ensuring that irreversible damages will not occur as a result of negligent or intentional conduct in the Arctic areas.

The biosphere is not divided into national compartments, to be policed and protected by national regulations. Yet neither is the current state of international law sufficiently developed to permit instant and effective protection for the Canadian Arctic against activities which are already under way. Our pollution legislation is without question at the outer limits of international law. We are pressing against the frontier in an effort to assist in the development of principles for the protection of every human being on this planet.

The pollution legislation is quite different from the bill proposing an extension of our territorial sea from three to 12 miles. The 100-mile zone in the pollution bill is an assertion of jurisdiction; the 12 miles is a claim of sovereignty. Fifty-seven countries now claim a territorial sea of the breadth of 12 miles or more. There is thus no novelty in 12 miles; there is no new legal concept involved. There are differences of opinion, but Canada is, nevertheless, prepared to have the territorial-sea legislation adjudicated upon by international tribunals. We are content to do so in this instance because there is a body of law and practice upon which a court can base its decision. Such is not the case, however, with the concept of pollution control. There is as yet little law, and virtually no practice, in this area.

It is for that reason that we are not prepared in this matter of vital importance to risk a setback. Make no mistake. Involved here is not simply a matter of Canada losing a case in the World Court -- that is one of the prices that we have long willingly paid as part of our adherence to an international rule of law. What is involved, rather, is the very grave risk that the World Court would find itself obliged to find that coastal states cannot take steps to prevent pollution. Such a legalistic decision would set back immeasurably the development of law in this critical area.

In short, where we have extended our sovereignty, we are prepared to go to court. On the other hand, where we are only attempting to control pollution, we will not go to court until such time as the law catches up with technology. In this respect we have acted as we have because of necessity, but also because of our awareness of the impetus given to the development of international law by individual state practice.

I consider this pollution legislation to be as exciting and as imaginative a concept as this Government has as yet undertaken. If government activities can be associated with youth and with spring, then this one is. It is not jingoist; it is not anti-American. It is positive and it is forward-looking.

Canada has been told that this pollution legislation is unacceptable because it is allegedly inconsistent with long-standing principles of freedom of navigation. Those who say this evidently regard the climatic conditions of the high Arctic as somehow similar to those close to the equator. This parallel we reject. Notwithstanding that map-makers may choose to illustrate the areas between the islands of the Canadian Arctic archipelago in the same fashion as they denote the water areas in tropical archipelagos, the physical circumstances in situ are quite disparate. Most of the Arctic channels are covered with heavy thicknesses of ice during most months of the year. This ice has presented such a barrier to navigation through the centuries that there has not yet occurred a single commercial voyage through the Northwest Passage. Only through abstract theorization can the Northwest Passage be described as an "international strait". Only by an examination conceptually removed from reality can Beaufort Sea be described as "high sea".

I suggest that it is a disservice to the development of international law to argue that important principles should be applied in circumstances which are clearly inappropriate. The law of the sea has evolved over many years, and is now to a large degree codified. Canada has taken a leading and constructive role in this process. During this lengthy evolution, however, states have never contemplated waters that are other than fluid. Only a handful of special regulations have been developed to meet special ice situations. It is our view that at the present time there is no customary law applicable to navigation in Arctic areas, and that we cannot wait for a disaster to prompt us to act. We need law now to protect coastal states from the excesses of shipping states.

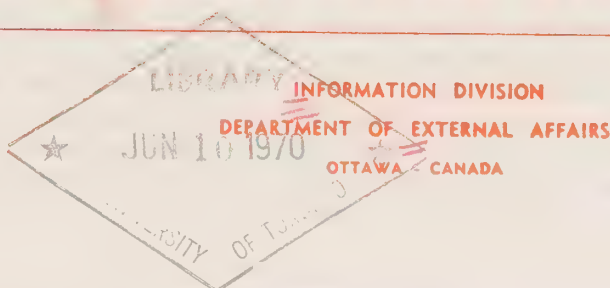
Both as a stimulus to this necessary development and as a protection to all North Americans, we remain convinced that we must act immediately to legislate preventive measures for control of pollution, and we are doing so.

We have told our friends and neighbours that this Canadian step, designed to protect the Arctic waters, will not lead to anarchy; it is not a step which diminishes the international rule of law; it is not a step taken in disregard of the aspirations and interests of other members of the international community. Canadian action is instead an assertion of the importance of the environment, of the sanctity of life on this planet, of the need for the recognition of a principle of clean seas, which is in all respects as vital a principle for the world of today and tomorrow as was the principle of free seas for the world of yesterday.

For 300 years, governments have devoted themselves to the increase of state wealth: through expansion of trade, through growth of the industrial base, through welfare programs to aid and retrain the victims of society. We have conducted these worthy activities in the belief that this planet is possessed of an inexhaustible supply of fresh air and clean water, a permanent balance of flora and fauna -- an optimism born of the knowledge that nature is a force so strong it cannot be upset permanently.

We now know that this is not so. We now know that spring is not automatic. We now know that the responsibility is ours to restore and maintain the health of the biosphere. Without sunshine, without health, growth and wealth are meaningless. Every human being realizes this, but perhaps it is for Canada -- the land of space, of youth, of spring -- to take the lead, to depart from the insane course on which mankind has embarked and to return to the point where we and our children can say without hesitation "God's in his heaven - all's right with the world!"

STATEMENTS AND SPEECHES



70/4

REVIEW OF CANADA'S ECONOMY IN 1969 AND OUTLOOK FOR 1970

By the Honourable Jean-Luc Pepin, Minister of Industry, Trade and Commerce, December 1969.

Although serious problems of containing inflation have continued, 1969 has been another year of significant economic achievement for Canada. New export gains and renewed growth in business investment have been key factors contributing to the further expansion of production and employment. Canada's gross national product has risen 9 per cent from 1968 to 1969, with at least half of this increase representing real output growth. Business activity surged forward strongly in the early part of the year but the pace of advance moderated in subsequent months, reflecting in part an abnormal amount of time lost in work stoppages due to industrial disputes.

Total employment for the year was up more than 3 per cent, a larger increase than in 1968. Labour force growth also was somewhat higher, and average unemployment has changed little between the two years. Unemployment after adjustment for usual seasonal changes was running a little over 5 per cent of the labour force in the concluding months of 1969.

Per capita disposable income, in real terms, has increased moderately.

Industrial output was up about 5 per cent in 1969, matching the gain for the previous year. Manufacturing production has advanced somewhat faster than in 1968, even though growth has been hampered by strikes in the primary metal industries. Motor-vehicle output has shown another large advance. More than 1.3 million motor vehicles came off the assembly-lines, and for the first time production of passenger cars passed the one-million mark. The number of motor vehicles turned out in 1969 was double the number manufactured in 1964, the year immediately preceding the implementation of the Canada-United States Auto Agreement. Output of motor vehicle parts and supplies has continued to move upwards.

Elsewhere in manufacturing, good increases in output were realized in synthetic textiles, rubber products, industrial machinery and major consumer appliances.

A highlight among resource industries has been the resurgence of pulp and paper output following two years of little change. Production and sales have strengthened for both newsprint and woodpulp, contributing to a sharp rise in plant-utilization and efficiency. High levels of lumber and plywood production were stimulated by vigorous trends in housing and other construction early in the year. However, the trend has slowed since mid-year, paralleling the slow-down in residential building in Canada and the United States.

1969 has been a year of rising production for important mining and mineral processing sectors -- among them asbestos, aluminum, oil and natural gas. Additions to sulphur and potash productive capacity have, however, increased the available supply of these minerals in a situation of world over-supply and downward pressure on prices. Declines in production of iron ore, primary steel, copper and nickel in 1969 are principally a result of protracted work stoppages due to strikes at the mines and mills of leading producers.

The major service-producing industries have continued to expand to meet widening requirements of an increasingly urban-oriented population. Growth has remained particularly strong in the community and personal services sector. Electric-power generation has shown a further large increase, supported by new capacity following completion of several major hydro projects, most notably in Quebec and British Columbia.

Canada's merchandise exports have increased by nearly 10 per cent in 1969, about in line with the growth in world production and trade. The annual value of Canadian exports is now just short of the \$15-billion mark, having more than doubled in the past six years.

An outstanding factor in export growth has been the continuing strong rise in exports of automotive products. Continuing rationalization of North American car production has advanced automotive exports to about \$3.5 billion in 1969. Imports of automotive products also have increased sharply, though somewhat less than exports. Canada's deficit in automotive trade is now at its lowest point in many years.

Higher foreign sales have been achieved in other manufactured lines, including wearing apparel, industrial equipment and non-farm machinery. Exports of aircraft and aircraft parts, however, are lower than in the previous year.

Among Canada's forest and mineral products, major increases have been achieved in exports of newsprint, woodpulp, aluminum and petroleum. Lumber and plywood exports rose sharply in the first half but have slowed in later stages of the year, with the decline in residential building in the United States. Strikes in some of the principal mining and metal-processing industries have been largely responsible for lower exports of iron ore, iron and steel products, copper and nickel.

Exports of agricultural products, other than grain, have increased moderately. Wheat and flour exports are down for the third consecutive year, reflecting the substantial world over-supply and increased domestic production in importing countries. However, orders now in hand suggest that this downward trend will be reversed in 1970.

Regionally, the outstanding feature of Canadian trade in 1969 has been the continuing strong growth in sales to the United States. Exports to this market are up 16 per cent in 1969 from the preceding year, notwithstanding the slowing pace of advance in the United States economy. United States purchases from Canada have been increasing nearly twice as rapidly as their total imports, and Canada's share of the U.S. import market is now higher than ever before.

In Britain, policies of restraint, including a temporary deposit scheme applied to imports, have had a slowing effect on British purchases. These restraints, together with scarcity of nickel and copper supplies, have led to a modest decline from last year's record level of sales to Britain. Commonwealth countries have about maintained their last year's level of purchases. Exports to Japan have gained with the continuation of Japan's economic boom. Sales to the European Economic Community were higher, largely due to increases to France and Western Germany. On the other hand, exports to state-trading countries have declined, primarily as a result of sharply lower purchases of wheat and wheat flour.

Canadian imports have increased sharply in 1969, more even than exports. The merchandise trade surplus has declined by about \$.5 billion from the record \$1.2 billion achieved last year.

Meanwhile, current payments for non-merchandise services have risen faster than receipts, reflecting in large part a further sharp increase in Canadian tourist spending abroad. Thus, with a narrowing in the merchandise trade surplus, and a higher deficit in the service sector, Canada's deficit on all current transaction is well above last year's low figure but compares favourably with the performance over the past decade.

The Canadian economy enters the New Year with considerable forward momentum. The underlying expansive thrust in the economy is reflected in the renewed growth of business capital spending in 1969 following two years of approximately level outlays. The realization of expansion programs in 1969 has been hampered by work stoppages, but the delays encountered have added to the carry-over of work into the New Year. A recent survey of capital~spending intentions indicates that large companies plan to spend 14 per cent more on new capital facilities in 1970 than in the preceding year. Much of this increase is expected to take place in manufacturing, particularly metal-refining, chemicals and a number of durable goods industries. In other major investment sectors, spending increases are expected to be relatively moderate. The evidence at hand suggests that total capital outlay in 1970, both public and private, is likely to provide significant forward impetus to the economy, without placing excessive demand pressures on capital~goods~producing industries and other investment resources.

Meanwhile, indications of a continued upward trend of personal incomes will provide the basis for continued growth in consumer spending.

The external economic climate is somewhat less buoyant now than a year ago. In the United States, demand pressures have lessened and the growth-rate in the economy has slowed perceptibly with the implementation of policies designed to stem the persistent upward movement of prices. In Western Europe also, there are indications that overall economic growth is losing some of its recent vigour, partly as a result of official measures of restraint. In Britain, demand restraint continues to be a key feature of national policy but the improvement now taking place in the balance of payments could open the way for expanded sales of Canadian products in that market. Across the Pacific, the strongly-expanding Japanese economy provides the basis for the further growth of exports to Canada's second-largest overseas customer.

Conditions in world product markets vary from situations of substantial surplus to acute shortage. For a number of Canada's major farm, forest and mineral products, firm or firming demand conditions prevail. If serious interruption to the production and movement of supplies to market can be avoided, growth of Canada's resource exports could show significant acceleration in the year ahead.

Notwithstanding these important elements of strength, the 1969 gain of \$1.25 billion in total exports will be difficult to match in the face of easier demand conditions in the United States and slower growth in the world at large. Canadian exporters will be vying with competitors around the world for a reduced total volume of new business. In these circumstances of intensified world competition, it becomes increasingly important to stop the erosion of Canada's competitiveness resulting from the continuing upward movement in costs and prices.

Between 1968 and 1969, industry selling prices in Canada rose 3.4 per cent, while consumer prices and the price component of the gross national product each rose by about 1.5 per cent. Similar inflationary conditions have been prevalent in other industrialized countries. However, a superior price performance is of crucial importance to Canada. Simply to hold even on prices with our competitors will not permit Canadian producers to capture the increased share of world markets necessary to employ Canada's rapidly-growing labour force and absorb other available productive resources.

To some extent, price increases in Canada are a reflection of higher prices paid for imports and received for exports. It would not be practical for a trading nation such as Canada to try to insulate entirely its domestic price level from increases occurring in international product markets. It is critically important, however, to minimize price increases generated from within the domestic economy -- increases resulting primarily from widespread pressures for income returns which are out of line with the overall productive performance of the economy.

In the past year, productivity in Canadian industry has continued to improve. In manufacturing, output per person employed has been increasing at a rate close to the postwar average of 3.7 per cent. However, most income-rate increases have exceeded the improvement in national productivity by a considerable margin, the inevitable consequence being upward cost pressures and rising prices. This internally-generated inflation constitutes a serious obstacle to trade and industrial growth and to better economic performance generally.

The Government is trying in every practical way to contain the rise in prices. In addition to the application of the necessary expenditure restraint and appropriate fiscal and monetary policies, the newly-created Prices and Incomes Commission is endeavouring to develop new approaches to supplement the traditional remedies for control of inflation.

For the Canadian economy the decade ahead holds great promise. In its sixth annual review, the Economic Council of Canada demonstrates that Canadian potential for growth in the 1970s is no less impressive than that achieved in the 1960s. Great opportunities, however, bring with them new and imposing challenges. In the new decade, Canada must come to grips with such problems as urban growth, pollution and the need to achieve for all segments of the economy a fuller participation in the mainstream of Canada's development. Success in these endeavours depends on the sustained and balanced growth of the economy as a whole. This is why it is so important to stop inflation now. For a trading nation such as Canada, which is becoming increasingly involved in international commerce, the key to economic achievement lies in maintaining and improving our competitive position in the Canadian market and in the markets of the world.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 70/5

PRESERVING CANADA'S ARCTIC ENVIRONMENT

Statement in the House of Commons on April 16, 1970,
by the Secretary of State for External Affairs, the
Honourable Mitchell Sharp.

It is evident from what has been said in this debate already that there is general agreement on all sides with the two fundamental objectives underlying the Arctic Waters Pollution Prevention Bill, the economic development of the Canadian Arctic, and the preservation of a unique environment comprising land and ice and open sea.

The Government has given long and careful consideration to the means by which these objectives could best be given effect and translated into legislative terms. We have considered these questions in the light of the duty and responsibility Canada owes not only to itself but to the community of nations -- that is to say, to mankind as a whole. We have refused to be stampeded by clamour from any quarter, and we have rejected simplistic solutions which could create more problems than they might resolve. Instead, we have evolved, after very wide-ranging deliberations, a constructive and functional approach that distinguishes between jurisdiction and sovereignty and between essential national objectives and chauvinism, which reconciles national interest and international responsibility, and which will prevent pollution without discouraging development.

The problem of environmental preservation transcends traditional concepts of sovereignty and requires an imaginative new approach oriented toward future generations of men and the plant and animal life on which their existence and the quality of that existence will depend. The problem of environmental preservation, moreover, must be resolved on the basis of the objective considerations of today rather than the historical accidents or territorial imperatives of yesterday.

Canada has always regarded the waters between the islands of the Arctic archipelago as being Canadian waters. The present Government maintains that position....

This bill aims at meeting a real and imminent problem and provides for the exercise of a limited form of jurisdiction. This exercise of jurisdiction for the purposes of pollution control can in no way be construed to be inconsistent with a claim of sovereignty over the waters between the islands or otherwise. Similarly, the exercise of sovereignty over an area of the sea extending 12 miles from shore in accordance with the provision embodied in another bill that will shortly be under discussion cannot be said to be inconsistent with a claim to sovereignty beyond 12 miles....

There is excellent authority for the propositions that I have put forward on this occasion. In the 1910 North Atlantic coast fisheries case between Britain and the United States, the Permanent Court of Arbitration held that a state may, without prejudice to its claim to sovereignty over the whole of a particular area of the sea, exercise only so much of its sovereign powers over such part of that area as may be necessary for immediate purposes. That case is of particular relevance to the Canadian situation, since it involved areas of Newfoundland, Labrador and other parts of Canada Atlantic coast.

There are those who argue that the problem of marine pollution can only be met by multilateral rather than unilateral action. Canada has attempted the multilateral approach to this problem, most recently at an international legal conference in Brussels in 1969. On that occasion, however, we were unsuccessful in our attempts to persuade the major shipping and cargo-owning states to provide adequate recognition and protection for the rights and interests of coastal states which are the innocent victims of pollution incidents of the seas.

State practice or, in other words, unilateral action by states, has always been a legitimate means open to states to develop customary international law.... This is how the rule of the three-mile territorial sea, and later the 12-mile territorial sea, originated. It was unilateral action by the United States in the 1945 Truman proclamation which led to establishment of the continental-shelf doctrine in international law. It was the practice of Norway, in connection with the delimitation of its territorial waters, which introduced the straight-base-line system later written into the Geneva convention on the territorial sea. Again, it was by unilateral action that Canada in 1964 and the U.S.A. in 1966 established nine-mile contiguous fishing-zones.

The action we are proposing for the Arctic waters in no way rules out the possibility of developing international arrangements for the preservation of the marine environment in Arctic regions. The bill we have introduced should be regarded as a stepping-stone toward the elaboration of an international legal order which will protect and preserve this planet Earth for the better use and greater enjoyment of all mankind. A single ecological system governs the lives of all men, and the Arctic regions are an extremely important part of that system. They determine the livability of the whole of the northern hemisphere. This bill is a beginning. It puts forward a legislative framework within which we shall develop controls and safety standards to ensure that this unspoiled and uniquely vulnerable region is preserved from degradation. We shall consult with other countries before we promulgate regulations to this end. We hope that these other countries will

show a spirit of understanding and co-operation so that together we can construct a system of internationally-agreed rules and safety standards which will advance our common interests without interfering unreasonably with particular interests.

Canada has a long tradition of leadership and active participation in multilateral efforts to resolve problems which go beyond purely national concerns. This is especially true in the field of international environmental law. In the famous Trail Smelter Case, we went to arbitration with the United States in 1935 and accepted state responsibility for the pollution of United States territory. In later years, we pressed hard for the non-proliferation treaty and we were in the vanguard of attempts to prevent fallout pollution from atomic testing. We have been engaged with the United States since 1909 in a unique experiment in international co-operation on common environmental problems, through the International Joint Commission. However, it is precisely this long experience with multilateral and bilateral approaches which convinces us that immediate action by Canada is required for protection of the Arctic environment.

We know only too well that a situation requiring urgent action cannot be met by the slow and difficult process of negotiating international arrangements. However valuable may be the work of the International Joint Commission, citizens of both Canada and the United States are painfully aware that it has not prevented the pollution and contamination of the Great Lakes to the point where the very life of these vast bodies of water is threatened. The International Joint Commission is undertaking remedial action on the Great Lakes, but that action is long overdue and will not easily undo the ravages that have taken place. We cannot be too late everywhere. We cannot wait until the damage has been done in the Arctic, if only because such damage in that environment may well be irreversible.

The first attempts to find an international solution to the problem of pollution of the seas by oil were made in the early 1920s, but did not achieve even partial success until the late 1950s. In 1926, an international conference held in Washington drew up a relatively modest proposal for the control of deliberate marine discharges of oil or oily mixtures. Even this modest proposal failed to achieve ratification.

By 1954, the oil-pollution problem had reached such a state of crisis in some areas that a second major conference was convened. The result was the London Convention for the Prevention of Pollution of the Sea by Oil. This convention, like the 1926 proposal, deals with the prevention of deliberate pollution by tanker-cleaning operations, but leaves enforcement to the flag states rather than the coastal states suffering the damage. This convention was adopted despite strong opposition from the United States, which believed that the problem of deliberate discharge would disappear by educational programs and technological advances.

The London Convention was only slowly accepted, and it was not until four years later that sufficient countries had ratified it to bring it into force. Canada's instrument of acceptance was deposited in 1956, and that of the United States in 1961. The Convention was amended by a second conference, held in 1962 under the auspices of the Intergovernmental Maritime Consultative Organization. The 1962 amendments were relatively marginal, but extended from

50 to 100 miles the minimum zones in which the deliberate discharge of oil is prohibited. Canada accepted these amendments in 1963, but they did not achieve sufficient acceptance to come into effect until 1967.

The amended London Convention remains the major international instrument in force in this field. Despite its modest aims, and despite the fact that it leaves enforcement to the flag states and thus preserves their traditional exclusive jurisdiction over their vessels on the high seas, this limited convention did not come into effect until some 30 years after the oil-pollution problem first began to attract serious international attention. Its inadequacies as to the scope and enforcement of its provisions are, I believe, disputed by no one.

More recently, however, we believed there was cause to hope that the nations of the world might join together to attack the problem of oil pollution on a broader front and to adopt more effective measures for its prevention and control. The *Torrey Canyon* incident has awakened states and public opinion to the catastrophic consequences of a spill from a jumbo tanker. Domestically and internationally there had been increasing signs that the quality of the environment was becoming the major issue of our time. Against that background, Canada went to Brussels in November 1969 to participate in an international legal conference on marine pollution damage. The results of the conference, however, while reflecting a certain degree of progress, were seriously disappointing.

Many delegations at Brussels displayed what appeared to us to be an excessive caution and conservatism and a rigid preoccupation with the traditional concept of unqualified freedom of the high seas. That freedom, in our eyes, seemed to be tantamount to a licence to pollute; it did not in any way strike a proper balance between the interest of the flag state in unfettered rights of navigation and the fundamental interest of the coastal state in the integrity of its shores.

As a result, despite our most vigorous efforts, Canada was only partially successful in achieving recognition of the paramount need for environmental preservation and the principle that the bulk carriage of oil and other pollutants by sea is an ultra-hazardous activity, which gives rise to an absolute liability to compensate in full the victims of pollution damage arising from such carriage.

The outcome of the Brussels conference was so little oriented toward environmental preservation and so much oriented towards the interests of ship- and cargo-owning states that Canada abstained from voting on the public law convention dealing with the right of intervention on the high seas and voted against the private law convention on civil liability for pollution damage.

While the main thrust of the bill under debate is preventive, that of the Brussels conventions is remedial and liability oriented. I do not wish, however, to be excessively severe or negative in judging the achievements of the Brussels conference. The public law convention negotiated there incorporates the very important principle that coastal states may intervene against foreign ships on the high seas to prevent or minimize major pollution damage where a marine accident, threatening or actually causing oil pollution, has already occurred.

I must say in this connection that I find it anomalous that certain countries can accept the right of a coastal state to sink a foreign ship on the high seas when a marine accident threatens pollution, but at the same time assert that coastal states do not have the right to prevent such an accident by turning away such a ship from areas off its coasts, or by imposing certain safety standards or preconditions for entry into these areas.

The coastal state's right of intervention on the high seas, as incorporated in the Brussels Convention on International Law, may perhaps represent a sufficient basis, for the time being at least, to protect the marine environment and Canada's coastal interests beyond the proposed 12-mile limit for our territorial sea on the Atlantic and Pacific. As I have said, however, the problem of pollution in those areas is also a matter of vital concern and will be given the most energetic attention by this Government. With respect to the Arctic, other measures impose themselves.

We hope that the Arctic Waters Bill will provide a framework for internationally-agreed safety standards. The brief review of multilateral efforts which I have just made is sufficient proof, however, that an approach of that kind would not have met the need for early action and would not have provided the stability and certainty required for investment in the development of Arctic resources and Arctic navigation.

There can be no doubt that Canada has tested the climate for international action against marine pollution, and there can equally be no doubt that the climate has been found seriously wanting -- if that is a good simile. We are determined to discharge our own responsibilities for the protection of our territory. We are equally determined to act as pioneers in pushing back the frontiers of international law so that the *laissez-faire régime* of the high seas will no longer prevent effective action to deal with a pollution threat of such a magnitude that even the vast seas and oceans of the world may not be able to absorb, dissolve or wash away the discharges deliberately or accidentally poured into them.

The Arctic Waters Bill represents a constructive and functional approach to environmental preservation. It asserts only the limited jurisdiction required to achieve a specific and vital purpose. It separates a limited pollution-control jurisdiction from the total bundle of jurisdictions which together constitute sovereignty. In this it resembles in some degree the approach which Canada was among the first to adopt with respect to jurisdiction over the exploitation and conservation of fishery resources.

The results which have been achieved in the latter field encourage us now to lead the way in developing rules to prevent pollution of the sea and of the shores of coastal states. We firmly believe that this is the best way to bring order out of impending chaos in the law of the sea.

The pioneering venture upon which we are embarked is a measure of our serious concern at the failure of international law to keep pace with technology, to adapt itself to special situations, and in particular to recognize the right of a coastal state to protect itself against the dangers of marine pollution.

Existing international law is either inadequate or non-existent in this respect. Such law as does exist, as I have already indicated, is largely based on the principle of freedom of navigation, and is designed to protect the interests of states directly or indirectly involved with the maritime carriage of oil and other hazardous cargoes.

A new "victim-oriented" law must be created to protect the marine environment and those rights and interests of the coastal state which are endangered by the threat to that environment. The Arctic Waters Bill is intended to advance the development of such new law. It is based on the fundamental principle of self-defence and constitutes state practice, which has always been accepted as one of the ways of developing international law.

Where the law is deficient, any action undertaken to remedy its deficiencies cannot properly be judged by the existing standards of that law. Such a proceeding would effectively block any possibility of reform. Canada remains firmly attached to the rule of law in international affairs and has the highest respect for the International Court of Justice and the part it plays in the maintenance of that rule of law. At the same time, however, we are not prepared to litigate with other states on vital issues concerning which the law is either inadequate, non-existent or irrelevant to the kind of situation Canada faces, as is the case in the Arctic. It is no service to the Court or to the development of international law to attempt to resolve by adjudication questions on which the law does not provide a firm basis for decision. For these reasons, we have been obliged to submit a limited new reservation to our acceptance of the compulsory jurisdiction of the International Court of Justice.

Even with the new reservation, Canada's acceptance of the compulsory jurisdiction is much broader than that of many other countries. It does not in any way reflect lack of confidence in the Court but takes into account the limitations within which the Court must operate and the deficiencies of the law which it must interpret and apply. Moreover, it may be revoked and Canada's acceptance of the compulsory jurisdiction may again be broadened at such time as those deficiencies are made good. In the interval, Canada stands prepared to appear before the Court where the Court is in a position to exercise its proper function and render a decision either for or against us. Such is the case, for instance, with respect to our bill on the 12-mile territorial sea. Our readiness to submit to the international judicial process remains general in scope and is subject only to certain limited and clearly-defined exceptions rather than to a general exception which can be defined at will so as to include any particular matter.

I have already stressed the Government's hope that it will be possible to achieve internationally-agreed rules for Arctic navigation within the framework of our proposed legislation. We recognize that the interests of other states are inevitably affected in any exercise of jurisdiction over areas of the sea. We have taken these interests into account in drafting our legislation; we have, for instance, provided that naval vessels and other ships owned by foreign governments may be exempted from the application of Canadian antipollution regulations if the ships in question substantially meet our standards.

We will give the interests of other states further consideration by entering into consultations with them before promulgating safety regulations under the Arctic Waters Bill.

I should point out that the interests of other states in the uses of the sea are not necessarily in conflict with ours. We, too, are concerned to preserve the essential freedoms of the seas. We, too, do not wish to place unnecessary or unreasonable restrictions on maritime commerce. Security factors are vital to us as well as to others. It is because we share the concern to head off developments undesirable for common interests that we ask other states to adopt a flexible attitude which is responsive to new needs and special circumstances, and that we seek the co-operation of other states and offer them ours.

In recognition of common interests and in the spirit of co-operation, Canada has for many years engaged in periodic consultations with the United States on matters concerning the law of the sea. We have not always agreed on those matters but we have always benefited from obtaining a better understanding of our respective positions and concerns.

I should like now to turn to a point of some importance in considering the international aspects of this legislation, namely the position of the United States Government concerning it. The Government of the United States has on a number of occasions recently expressed a particular interest in the various aspects of the law of the sea raised by the Prime Minister's statement in the Throne Speech debate when he announced the Government's intention to introduce legislation to protect the ecological balance of the Canadian Arctic, and requested an opportunity to discuss them with us. Two rounds of discussion were held for this purpose. On March 11, the Canadian Ambassador to the United States, Marcel Cadieux, accompanied by two Canadian officials (Mr. Beesley, head of the Legal Division of the Department of External Affairs, and Mr. Head, Legislative Assistant to the Prime Minister), called on Mr. Alexis Johnson, United States Under-Secretary of State for Political Affairs, and a group of senior United States officials. These discussions were very frank and friendly but they revealed, as expected, differences of view between our two governments on a number of questions, and it was agreed that a further round would be held after the United States Government had had time to consider the matter further. On March 17, President Nixon telephoned the Prime Minister to express his interest in the matter and offered to send a high-level team to Ottawa for further discussions. On March 20, a team of senior United States officials led by Under-Secretary of State Johnson and including the Under-Secretary of the Navy and an Assistant Secretary of Transport, as well as senior officials from the State Department, Defence Department, the Coast Guard, and the Department of the Interior, came to Ottawa and met with me, the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the President of the Privy Council (Mr. Macdonald), and senior Canadian officials, including the Under-Secretary of State for External Affairs, and Canada's Ambassador to Washington, to make known the United States views on the questions under discussion. These discussions lasted all day and were again frank but friendly. Subsequently, there were further discussions in Washington between our Ambassador to the United States and Mr. Johnson, and a telephone conversation between the Prime Minister and Secretary of State Rogers. Unfortunately, it did not prove possible for the two governments to reach agreement on all aspects of these questions, as has since been made known by the United States Government. I think this account

of these discussions makes quite clear that we have taken very seriously the United States interest in these matters.

These differences can be resolved, and resolved in a manner consistent with our interests as a sovereign nation and our long history of close and mutually co-operative relations with the United States. We cannot abdicate our responsibilities in a matter of special importance to us, and we cannot abandon our right and duty to protect our territory. Given this fundamental and irreversible position on our part, there remains nevertheless a wide range of possibilities for bilateral and multilateral co-operation which could advance the cause of environmental preservation in the Arctic waters in harmony with the interests of all concerned. We are prepared to go forward from this position, but only forward and not back.

S/C

STATEMENTS AND SPEECHES



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

1970

No. 70/6

CANADA EXTENDS ITS TERRITORIAL SEA

Statement to the House of Commons on April 17, 1970,
by the Secretary of State for External Affairs,
the Honourable Mitchell Sharp.

The proposed amendments to the Territorial Sea and Fishing Zones Act contain two major provisions: the first would establish the territorial sea of Canada at 12 miles in substitution for the present limit of three miles, and as a result would eliminate the present nine-mile fishing-zone, which would become incorporated within the 12-mile territorial sea; the second would authorize the Government, by Order in Council, to create exclusive Canadian fishing-zones comprising areas of the sea adjacent to the coasts of Canada.

There are a number of reasons why the Government is proposing to extend its territorial sovereignty from three to 12 miles. Basically, the reason is that the limited fisheries jurisdiction which Canada at present exercises over the outer nine-mile zone is no longer sufficient to protect the full range of Canada's vital coastal interests. The 12-mile territorial sea would have the following advantages: (a) It would provide the comprehensive jurisdictional basis which Canada requires to enforce anti-pollution controls outside Arctic waters off Canada's east and west coasts up to 12 miles from the baselines of Canada's territorial sea, rather than merely three miles as at present. (b) It will permit Canada to expedite the conclusion of negotiations with the European countries which have been permitted to continue their fishing activities in Canada's nine-mile fishing-zone. (c) It will further protect Canada's security interests by permitting Canada to exercise greater control over the movement of foreign ships.

The legal *régime* of the territorial seas permits the coastal state to determine whether a particular passage is innocent. This bill extends that right for Canada up to a distance of 12 miles from the territorial sea baseline. All the reasons why a state requires a three-mile territorial sea apply with equal vigour to the 12-mile territorial sea. From the point of view of security, the danger is removed farther offshore and the coastal state can take all measures open to it on its own territory within a wider belt of 12 rather than three miles. Then (d), since the inner limit of the continental shelf is measured from the outer limit of the territorial sea,

the 12-mile territorial sea will have the effect of pushing the inner limit of Canada's continental shelf seawards a distance of nine miles.

The U.S. Government has made clear its willingness to accept a 12-mile territorial sea provided this is achieved by multilateral agreement and not by the continuing development of customary law through state practice. The Canadian Government sympathized with the U.S. desire for accepted rules of law on these questions. Canada has repeatedly shown its good faith in the multilateral approach to these questions by participating vigorously and constructively in every effort in the last 40 years to achieve agreed rules of law on the breadth of the territorial sea and the nature and extent of contiguous zones.

I do not wish to belabour the point, but I would remind the House and the international community that Canada attempted to get agreement first on a three-plus-nine basis -- three-mile territorial sea and nine-mile contiguous zones -- in 1958, and, when this did not prove possible, we campaigned for the famous "six-plus-six" formula comprising a six-mile territorial sea and six-mile contiguous zone for certain purposes. We warned that the law was developing toward wider and wider assertions of territorial sovereignty and that the international community must recognize the legitimacy of extension of jurisdiction beyond the territorial sea for limited specific purposes. Unfortunately, we had only limited and belated success in enlisting the support of the U.S.A. for our proposal.

Later, in 1960, we campaigned very actively for the six-plus-six formula. (We made representations in capitals all over the world through our diplomatic representatives there. Might I point out parenthetically that our efforts then and the exercise in which we are now engaged require the existence of a well-trained foreign service and the presence of Canadian representatives in capitals all over the world, for many reasons, but particularly when we are seeking the support of the international community, as now, for a Canadian initiative.... We are very fortunate in having a foreign service generally accepted as one of the very best in the world....)

It will be recalled that in 1960 our proposed six-plus-six formula fell short of success by a fraction of one vote. We did not, however, even then, abandon the multilateral approach. We joined with Britain in canvassing countries round the world to ask them if, in spite of the failure at Geneva, they would nonetheless join with us in a multilateral agreement based on the six-plus-six formula. We pressed the U.S.A. to join with us in these representations, but the U.S.A. declined.

Subsequently, when, as a result of our extensive and protracted canvassing efforts, we and our British friends found that we had the support of over 40 countries for such a proposal, provided the U.S.A. and other major powers would agree, we approached the U.S.A. again with this evidence. Unfortunately, we were told, after waiting a further period of many months for the U.S.A. reply, that the U.S.A. did not consider it timely or appropriate to join with us in our efforts. I hope it will not be taken as a sign of anti-Americanism but merely as an affirmative sign of Canadianism for me to say that we really are not prepared, in light of these developments, to accept the proposition that it is always desirable to proceed multilaterally instead of unilaterally.

I mentioned yesterday that we decided in 1964 that it was necessary to do it alone, and so we did; we passed the Territorial Sea and Fishing Zones Act laying down the legislative basis for delimiting the territorial sea from straight baselines rather than from the sinuosities of the coast, and established a nine-mile fishing-zone contiguous to our three-mile territorial sea. Subsequently, we established straight baselines over long stretches of our coast. The United States, while expressing its disagreement with our legislation, followed suit in 1966 in establishing its own nine-mile fishery zone. It is, however, a reflection of the close and friendly relations between our two countries that it was agreed from the outset on both sides that the fishermen of either country would be allowed to fish freely in the contiguous zones of the other. This remains the Canadian position with respect to any new Canadian fishing-zones.

There are now in process discussions in many capitals concerning the desirability of a third Law of the Sea Conference, the agenda for such a possible conference and many other difficult and delicate questions. The United States has made known, as has the Soviet Union, that it would be willing to support an agreement providing for a 12-mile territorial sea, a high-seas corridor through international straits and certain limited rights to coastal states over offshore fisheries. As I have stated previously, we shall participate actively in any such conference. We cannot, however, accept the notion that a coastal state's fisheries conservation and protection jurisdiction must cease at 12 miles from shore.

The developments since 1960 have proved that there is no magic in the 12-mile limit. Unlike the deer and bears in national parks, who become aware after a period that they are safe when they enter the sanctuary of the park, the fish do not seem to know that they are safe -- except, of course, from Canadian fishermen -- when they enter the 12-mile limit. Massive fishing expeditions by other states covering the surface of the sea with trawlers and mother-ships are rapidly depleting the living resources of the sea. We cannot wait longer for the international community to realize the danger and move to meet it. Once again, Canada, after long and serious deliberations, has decided to go it alone.

I shall now turn to the question in which all parties have expressed great interest, namely, the implications of the establishment of a 12-mile territorial sea for Canada's Arctic sovereignty. I should like to emphasize that there is no difference of views concerning Canada's sovereignty over the islands of the Arctic archipelago or Canada's sovereign rights to explore and exploit the mineral resources of Canada's northern continental shelf. There is no need even to comment concerning Canada's long-established and universally-accepted sovereignty over the land....

With respect to the seabed, Canada is a signatory of the 1958 Geneva Convention on the Continental Shelf, which recognizes the "sovereign rights" of coastal states over the continental shelf adjacent to their coasts for the purposes of exploring and exploiting its natural resources....

The Convention says that the rights are exclusive in the sense that, even if the coastal state does not exploit them, they cannot be exploited by other states without the express consent of the coastal state itself. The

Convention provides also that the rights of coastal states over the continental shelf do not depend upon occupation, effective or notional, or on any express proclamation. The Convention defines the continental shelf (and this is a point of some importance) as "the seabed and subsoil of the submarine area adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or, beyond that limit, to where the depth of the subjacent waters admit of the exploitation of the natural resources of the said areas". Of particular interest with respect to the Arctic is that, in defining the shelf, the Convention makes clear that it applies also "to the seabed and subsoil or similar submarine areas adjacent to the coasts of islands".

Canada is engaged, in its capacity as a member of a special UN committee on the seabed, in active discussions and negotiations concerning the development of a legal *régime* for the peaceful use, in the interest of mankind as a whole, of the seabed beyond national jurisdiction. Such discussions may inevitably develop into consideration of a new and more precise definition of the area where the new international *régime* is to apply and, thus, where national jurisdiction ends. The Canadian Government knows of no basis, however, for any doubt concerning Canada's sovereign rights over Canada's northern continental shelf, and I feel no need to elaborate further on this issue.

Turning to the status of the waters, Members of the House are aware that the United States Government has publicly called into question the Canadian view that the waters of the Arctic archipelago are Canadian. We respect, of course, the right of the United States to their view, but we cannot and shall not abandon the long-standing Canadian position on this question. The Government was criticized yesterday concerning the possible effects of the Arctic Pollution Prevention Bill and the bill we are now debating upon Canada's claim that the waters of the Arctic archipelago are Canadian.

I referred yesterday to the decision of the Permanent Court of Arbitration in 1910 in the North Atlantic coast fisheries case between Britain and the United States. The subject matter of that dispute was the privileges enjoyed by the inhabitants of the United States, in common with British subjects, to the fisheries of Newfoundland, Labrador and other parts of the North Atlantic coast. In particular, the historic bays of Chaleur, Conception and Miramichi were called into question.

The tribunal referred to the argument of the United States that Britain during the period preceding the hearing of the case had abandoned its claims that these bays were historical, and therefore the three-mile limit should be applied to them. I propose to quote from the decision of the tribunal on this abandonment argument:

"Neither should relaxations of this claim, as are in evidence, be construed as renunciations of it; nor should omissions to enforce the claim in regard to bays as to which any controversy arose, be so construed."

It is quite clear that, whether or not the Canadian Government chooses to establish at this time its claim to the whole of the waters of the Arctic archipelago by drawing straight baselines from island to island so as to enclose the waters, the facts that this Government does not draw such baselines, and that

previous Canadian Governments have not done so, do not thereby weaken our sovereignty claim.

Similarly, the establishing of a 12-mile territorial sea and the establishment of pollution-control zones in these waters cannot be construed as an abandonment of the Canadian position concerning the status of these waters. I should like to quote again from the decision of the Permanent Court of Arbitration, from which I previously quoted on this issue, as follows:

"Such a construction by this tribunal may not only be intrinsically inequitable, but internationally injurious, in that it would discourage conciliatory diplomatic transactions and encourage the assertion of extreme claims to their fullest extent."

I have made clear, as has the Prime Minister that we shall not back down one inch from our basic position on sovereignty, but there is no interest on the part of the Canadian Government in the exercise of chauvinism.

What, then, is the effect of the 12-mile limit with respect to the Northwest Passage? It is known that the United States regards the waters of the Northwest Passage beyond three miles from shore as high seas. I think I have already demonstrated the weakness of the legal basis for such an assertion. The 12-mile territorial sea is far too widely recognized for it to be ignored by any state. Indeed, a state that refuses to recognize the 12-mile territorial sea of another state is itself unilaterally opting out of a developing rule of law.

Since the 12-mile territorial sea is well established in international law, the effect of this bill on the Northwest Passage is that under, any sensible view of the law, Barrow Strait, as well as the Prince of Wales Strait, are subject to complete Canadian sovereignty. Whether or not those who disagree with us wish to allege that other waters are not Canadian, they cannot realistically argue any longer concerning these two bodies of water.

The question was asked whether Canada will admit a right of innocent passage through such waters, since the right of innocent passage pertains in the territorial sea but not in internal waters. There is considerable misunderstanding on some of the technical, legal questions involved here. Firstly, it is incorrect to argue that there can be no right of innocent passage in internal waters. The 1958 Geneva Convention on the Territorial Sea and Contiguous Zones makes specific provision for the right of innocent passage through internal waters where such waters have been established as such by means of the straight-baseline system. I do not cite that rule as now applicable to these waters but merely so as to point out that the difference between the *régime* of internal waters, over which a state has complete sovereignty, and the *régime* of the territorial sea, over which a state's sovereignty is subject to the right of innocent passage, is not as clear-cut as is alleged.

There is a school of thought, for example, that the status of the waters of the Arctic archipelago fall somewhere between the *régime* of internal waters and the *régime* of the territorial sea. Certainly, Canada cannot accept

any right of innocent passage if that right is defined as precluding the right of the coastal state to control pollution in such waters. The law may be undeveloped on this question, but if that is the case we propose to develop it. I hope I have said enough about the implications of this bill for the Arctic to allay any fears, real or imagined, about its effect upon our sovereignty....

The fisheries provisions of this bill will provide the Government with greater flexibility for completing the delimitation of Canada's exclusive fishing-zones in those coastal areas where straight baselines have not so far been drawn from headland to headland. These provisions are enabling only; the creation of the proposed new Canadian fishing-zones will require executive action by way of Order in Council.

Under the existing legislation, Canada could not exercise exclusive fishing rights within such bodies of water as the Gulf of St. Lawrence, Bay of Fundy, Dixon Entrance, Hecate Strait and Queen Charlotte Sound. With the proposed amendment, Canada could now, where appropriate, draw what might be called "fisheries-closing lines" across the entrances to these bodies of water and thereby establish them as exclusive Canadian fishing-zones. In this way, Canada would have the required domestic legal basis for managing the fisheries resources of these areas.

The new fishing-zones will be established only where Canada's primary interests relate to fisheries, and in areas where Canada has historic claims. In such areas, the bill would, in keeping with the Government's approach to the question, enable us to separate fisheries jurisdiction from the complete sovereignty which states exercise in their territorial sea and internal waters. This separation of fisheries jurisdiction from sovereignty already underlies the concept of the contiguous fishing-zone which has become an established principle of customary international law, owing in good measure to the pioneering activities of Canada.

In our view, the application of the conception of the exclusive fishing-zone to some or all of the special bodies of water in question is justified on geographic, economic and historic grounds, as well as by the urgent need to provide for the rational management and conservation of fisheries resources. Although the fishing-zone conception is best established with respect to the contiguous fishing-zone extending 12 miles from the baselines of the territorial sea, it is our view that the conception is equally applicable to Canada's special bodies of water.

I must emphasize that the fisheries provisions of this bill reflect our belief that there is an urgent need for bold and imaginative approaches to the problems of fisheries management and conservation and harvesting. So long as there was an abundance of fish for everyone, so long as the living resources of the sea seemed inexhaustible, it was necessary for states to exercise only a relatively limited control over the fisheries adjacent to their shores. With growing populations and technical developments of fishing vessels and gear, which have virtually transformed fishing activities from a harvesting to a mining process, it has become dramatically evident that the resource itself could disappear. The coastal states which depend on this resource have a responsibility to ensure its conservation and to manage it on a rational basis.

Canada was one of the pioneering countries in efforts to bring about international arrangements for the conservation of the living resources of the sea. Since the beginning of this century, Canada has become a party to seven international conventions which, within the scope of their limitations, have been relatively successful but which have failed to bring about a truly effective *régime* for the protection of fisheries resources.

The Canadian Government is convinced, on the basis of its lengthy experience in this field, that neither existing customary international law nor contemporary conventional international law are adequate to prevent the continuing and increasingly rapid depletion of the living resources of the sea. It is for this reason that we propose to extend our fisheries jurisdiction in the manner I have described. It is our expectation that other governments will take similar action since it is only too evident that there is no other effective way of preventing the rapid depletion of the living resources of the sea.

It seems anomalous that, whereas international law recognizes the right of coastal states to control the exploitation of mineral resources and of the so-called sedentary species of shellfish on the continental shelf adjacent to their shores, it has not yet developed an equally effective system for the management of the "free-swimming" fish in coastal areas. A coastal state may licence foreign *entrepreneurs* to exploit the mineral resources of its continental shelf, but so far only a few states have taken a similar approach to controlling the exploitation of coastal fisheries resources.

Now that the world is becoming aware that living resources are not infinitely renewable and that they can, indeed, be exhausted or depleted by over-exploitation or wiped out by means of pollution of the sea, it is vitally necessary to apply to the exploitation of these resources some of the techniques which have been developed for offshore mineral resources. The action now being taken by Canada is a step in this direction, a step toward a more logical and systematic approach to the management of living marine resources.

Exclusive rights to harvest may be necessary, but they are not an end in themselves. The end we have in mind is conservation and rational management, and for this purpose we require jurisdiction. That jurisdiction, however, does not rule out the possibility of sharing fisheries exploitation with other countries; it does, however, allow us to set rules for that exploitation, to impose licensing requirements if necessary and thus to share the financial burden of conservation as well as the financial rewards of exploitation.

Following the establishment of Canada's new fishing-zones, we intend to conclude negotiations for the phasing-out of the fishing activities of the countries which have traditionally fished in the areas concerned -- namely, Britain, Norway, Denmark, France, Spain and Italy. With respect to the fishing activities of the United States in these areas, it is intended that they should continue on the basis of the *ad referendum* agreement on reciprocal fishing privileges we have recently negotiated with that country. Apart from traditional fishing practices, the United States and France also have certain treaty rights off Canada's east coast, and these rights will, of course, be respected.

Before concluding, Mr. Speaker, perhaps I might refer to the note which was delivered to our Ambassador in Washington on April 14 and the reply which he delivered yesterday on behalf of the Canada Government. When the question was raised two days ago, I made clear that we had already requested U.S. consent to dispense with the usual diplomatic practice of declining to publish exchanges of notes, but that I should, nonetheless, raise the question again. Our Ambassador has since stressed to the State Department the importance of publishing the exchange so as to lay at rest, once and for all, the misinformation appearing in some American newspapers to the effect that the United States note contained threats. I have already assured the House that the note contained no such threats and that the summary of the note published by the State Department accurately summarized its substance.

We have today received the response of Secretary of State Rogers to my proposal that the text of the diplomatic note of April 14 be published. His response is as follows:

"The Secretary of State regrets that he cannot agree to the proposal of the Canadian Government that we depart from the usual diplomatic practice of not publishing exchanges of notes between governments in the case of our note of April 14, 1970, relating to the introduction by the Canadian Government of legislation on pollution in the Arctic, fisheries and the limits of the territorial sea. Because of the public interest in the matters discussed in the note, the United States did include the substance of its note in its press statement of April 15, 1970."

S/C



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/7

CANADA'S TRADE IN A CHANGING WORLD

A Speech by the Honourable Jean-Luc Pepin, Minister of Industry, Trade and Commerce, to the Brantford Regional Board of Trade, Brantford, Ontario, April 16, 1970.

Everything now changes at an ever-rapidly-increasing pace. Not too long ago, it used to be that stability was the rule and change the exception. Today, it is the opposite. That is true of trade in particular.

Looking back briefly over the last decade, it is reassuring, nonetheless, to see how much actually was accomplished, tradewise, during what have been called the "ten years of turmoil":

1) The value of world trade more than doubled, and is now approaching the \$250 billion (U.S.) mark.

2) New trading blocks have been formed. We have witnessed the establishment of the EEC and its consolidation as a strong economic and commercial entity. The EFTA (European Free Trade Area) was created by the principal remaining European countries to counterbalance the EEC's power. Now the possible enlargement of the EEC to include Britain and other continental countries may bring about a common market embracing almost all of Western Europe, thus creating what would be by far the biggest import market in the world. Smaller trading blocks like the LAFTA (Latin American Free Trade Area) have also been set up. Tradewise, this "blockation" of the world is one of the major events of our time.

3) As the culmination of 20 years of world trade liberalization, the Kennedy Round of tariff negotiations led to a general and spectacular lowering of the tariffs affecting the greater part of world trade.

During this time span, Canada hasn't remained static - much to the contrary. Our own exports have in effect changed rather drastically, in value, in direction and in composition:

1) The value of our exports nearly tripled during that time, going from \$5.4 billion to \$14.9 billion - this represents an average annual increase in excess of 10 per cent, one of the best-sustained rates of growth in modern times. Few people, even in our own country, realize that, with our population of 20 million, we rank sixth among the world's trading nations.

2) The direction has changed also significantly, and continues to do so. Exports to the U.S.A., by far our most important customer, more than tripled during the last decade (\$3.03 billion to \$10.6 billion). In 1960, that represented 57 per cent of our total exports; last year's corresponding figure is equal to 71 per cent.

These results carry with them some attenuating side effects. Our economy has grown more dependent on the U.S. market and consequently more vulnerable to its fluctuations.

Automobiles and parts, as a result mainly of the Auto Pact, now account for close to one-third of our total shipments to the United States. Newsprint accounts for another 9 to 10 per cent. The levelling-off in growth of the U.S. economy, combined with the slump in auto sales earlier this year, leads us to greater caution in trying to predict a growth-rate for 1970. It is expected to be below the 8 to 9 percent increase of 1969. For the first three months of this year, it was, in fact, only 6.4 per cent.

Britain, our second most important export market, has dropped off considerably in its overall relative importance to us. In 1960, Britain took 17.2 per cent of our total exports, while last year its share fell to only 7.5 per cent. This can be explained partly by Britain's recent economic policies aimed mainly at strengthening its currency and redressing its economy but also, to some extent, by its progressive preparation for economic integration with continental Europe.

The EEC, with a total population of 321 million and a combined gross national product of \$530 billion (compared to the U.S. GNP of \$756 billion), represents a large and growing market for Canada. Our exports to the Community have nearly doubled during the last decade, going from \$438 million to \$851 million, but the general feeling is that we could and must do much better. At the moment, our share of the EEC import market remains not only relatively low but, as a percentage of total imports, it actually dropped between 1961 and 1967 (1.9 and 1.22, respectively).

Japan is another market that is growing very rapidly and becoming increasingly important to us. At \$624.8 million in 1969, our exports to that country were 3.5 times greater than in 1960. But the proportion of manufactured goods is low. Our imports last year from Japan amounted to nearly half a billion dollars. Over 95 per cent of these imports were either partially or highly manufactured goods. This compares with roughly 35 per cent for our own exports. We should be able to do better here also.

The overall growth of our exports to Latin America has not quite kept pace with the growth of our exports generally, but at \$443 million for 1969, compared with \$185 million in 1960, Latin America represents, nonetheless, an important market for us. Here, however, we can expect some changes in the composition of our exports. Our traditional newsprint markets there, while growing continuously, will face increasing competition from the developing Chilean newsprint industry and our exports of aluminum may decrease because of the establishment of an aluminum smelter in Argentina. Many interesting opportunities do exist, though, for Canadian engineering and equipment in infrastructural projects such as airport development, thermal and hydro-electric power generating stations and telecommunications. STOL aircraft (short takeoff and landing) also appear to offer good prospects.

When compared to \$47 million in 1960, our exports to state-trading nations (including China) are also doing proportionately well, at \$161 million for 1969, and wheat sales were low then compared to what they will be in 1970. Our peak year for trade with these countries was in 1964, when our imports reached \$619 million. In 1968, they amounted to \$308 million. We see promising opportunities in Eastern European countries for the sale of raw materials, livestock, grains, industrial chemicals, synthetic fibres, electrical and electronic equipment, consulting services, etc.

3) Composition. If we now consider the extent of fabrication which our exports represent, again the picture has changed considerably during the last decade. For statistical purposes, the Dominion Bureau of Statistics classifies products in three broad categories according to their degree of manufacture -- crude materials, fabricated materials and end products. The relative importance of each category as a proportion of our total exports has changed remarkably:

	Thousand \$		Percentage of Total	
	1960	1969	1960	1969
Crude Materials	1,771,795	3,330,453	33.7	23.0
Fabricated Materials	2,874,262	5,344,902	54.7	37.0
End Products	609,518	5,766,201	11.6	39.9
Total Value of Domestic Exports	5,255,575	14,441,556		

For our own purposes, these trade statistics are among the most important because they give us a good indication of the transformation of our economy.

The Government's Role in the Changing Trade Environment

I have attempted to illustrate briefly the major developments which occurred on the scene of world trade during the last decade: the remarkable increase in the volume of world trade; how well Canada has done in this respect;

how the direction of our trade shifted; and also how manufactured products are becoming increasingly important as a proportion of our total exports.

The Canadian Government has been quite active during this period. In fact, it sometimes likes to believe that it was instrumental in influencing some of these mutations, e.g., through its participation in the Kennedy Round; because of its having negotiated the Auto Pact; thanks also to its trade-promotion programs; its aid to export financing; its industrial-development schemes, etc.

I should like to outline for you now some of the main trade pre-occupations currently facing Canada and how the Government envisages them.

Multilateral Matters

Broadening of the EEC

Britain's latest bid to enter the EEC appears to have been more favourably received than were its previous ones. We are, of course, concerned about Britain's terms of entry and how they might affect our access to its market.

Some two-thirds of our exports to Britain would be subject to less favourable terms of access if Britain adopted the existing EEC import regime. Without knowing the actual terms of entry which the British may negotiate with the EEC it is difficult to be precise on what the effect would be on individual commodities. The impact would be mitigated, however, in the case of manufactured goods, by the implementation of the Kennedy Round concessions, which are resulting in a reduction of the EEC tariff. We have, nevertheless, been pressing the British for consultations before, during and after their negotiations with the Community.

Also of concern to us is the fact that Britain's entry into the EEC may open the door to a further enlargement of the Community. This could result in a major shift of world trade towards greater regionalization. In our view, therefore, the British EEC negotiations should be accompanied by parallel or consecutive multilateral negotiations to ensure that the enlarged EEC would result in trade creation rather than trade diversion.

Foreign Government-Assisted Export Financing

Canadian manufacturers of machinery and equipment are being adversely affected by imports financed abroad under foreign government-assisted export financing programs. Many representations have been made to us on that subject.

Government export-financing facilities have been made available by all major developed countries for many years. Until recently, however, the interest rates available under these facilities were generally equal to, if not higher than, the domestic lending rates. Its use was, therefore, confined almost entirely to support sales to the developing countries, which lack indigenous capital and the ability to attract it on the required scale from conventional sources.

With the increase in conventional rates of interest over the last two years, the situation has changed drastically. Conventional rates have increased considerably, while most governments held their export-financing rates at about their original levels, thus creating a rather wide discrepancy. The problem arose when some governments extended their export-financing facilities to developed countries. Canadian manufacturers have complained that they are sometimes denied the opportunity to bid on projects in Canada controlled or financed from abroad because financing arrangements require that all equipment be purchased in the financing country.

Britain has been the principal source of such export financing in Canada. Should the British practice be allowed to continue, other countries will be drawn into a credit race and this would have a serious adverse impact on Canadian interests.

Canada is the largest single importer of industrial machinery in the world. In 1968, our imports reached \$24 billion, about 45 per cent of our domestic consumption. While our machinery-manufacturing industry has demonstrated some definite competitive strength in foreign markets, the domestic market is, nonetheless, very important to its future development.

Being a net importer of capital, Canada is hardly in a position to retaliate by itself embarking in a competitive credit race. On the other hand, we greatly depend on export markets of capital equipment to attain the scale of output necessary for an internationally-viable operation. It is also pointed out that a number of the projects which benefit from this low rate of financing, especially those in the slower growth areas of this country, would not be economically viable without such aid. That, then, is the predicament in which we find ourselves at the moment.

Textiles

...Textiles have been one of the most notable exceptions to the postwar pattern of trade liberalization on a multinational basis. For the past ten years, an International Textile Agreement provided a framework for the negotiation of export restraints on cotton products. While this approach has been adequate until now, it is no longer sufficient to deal with current Canadian problems.

The difficulty is mainly created by imports from low-cost countries. Most developed countries maintain strict restraints on textile imports from low-cost nations. Canada, however, has had a more liberal policy and the closing-off of major industrial markets resulted in significantly increased pressures on us. The system of negotiated restraints is becoming increasingly difficult to administer because many low-cost countries are reluctant to limit themselves. The delays needed to negotiate restraint agreements, the lack of suitable means in Canada to prevent overshipments and the problems associated with unilateral action further complicate the problem. Add also the important export interests we have in some of the textile-exporting countries -- e.g. Japan and Mexico -- and the favourable trade balances we have with them, include in your analysis the particular interests of our own textile workers and those of the domestic textile companies and you will begin to have a better idea of the tremendous complexities involved.

Bilateral Matters

The Automotive Products Agreement

A number of you no doubt are associated with companies which have an interest in the current negotiations with the United States on the Auto Products Agreement.

This Agreement, as you well know, is a limited free-trade arrangement with the United States. As provided in the terms of the Agreement, we started a joint review last autumn at the request of the United States. These consultations are continuing with the U.S. Government, as well as with Canadian industry, labour and other unilateral groups. Our discussions are concerned not only with the various problems which have arisen over the six years of the Pact but also with a number of changes and improvements which have been suggested by both countries. These talks are continuing and I look forward to a constructive outcome.

Petroleum

Petroleum plays an important role in Canada's foreign trade. Last year, petroleum (crude and products) worth \$570 million was exported to the U.S. from the Western provinces. This trade makes a significant contribution to the health of Canada's balance of payments and is essential to the prosperity of the Western provinces.

In recent months, circumstances have been transformed by a number of major developments. These have presented serious short-term problems of adjustment but hold the promise of important benefits in the future. There was, for example, the major oil-strike in northern Alaska. As the press has extensively reported, this new discovery led to the trial voyages of the super-tanker *Manhattan* through the Northwest Passage to test this route as a new means of shipping northern resources to Eastern markets. Another possibility being considered is a pipeline across Canada along the Mackenzie River route. The Alaskan discovery also suggests excellent prospects for oil explorations now under way in the Canadian Arctic, and, as a matter of fact, indications to that effect already exist. The latter would also benefit from the establishment of these new transportation routes.

Meanwhile, the Canadian and the American Governments have been deeply engaged in comprehensive reviews of their respective oil policies, including our cross-border trade in petroleum. Although a report on proposed new U.S. policies has been published, it will be some time before any final decisions can be reached by either government, owing to the great uncertainties enshrouding the North American oil perspective. President Nixon has proposed discussion on the possibility of moving toward freer access for Canadian exports of petroleum and possibly other energy commodities to U.S. markets. Such arrangements could, in my view, be beneficial for both countries.

However, as an immediate measure, the President recently introduced a system of mandatory restrictions on imports of Canadian crude oil into the bulk of the U.S. market. This clashes with the unrestricted access Canadian

oil has historically enjoyed and is viewed by Canada as a rather strange first step to freer trade. The Government has stressed its opposition to these measures and has requested the U.S. reconsider them. It is my hope that these restrictions will prove to be only temporary and that the U.S. will recognize the mutual benefits that could flow from freer trade in oil between our two countries. You may be assured that the Canadian Government will continue to work toward that end.

So much for some of the particular trade problems. Now, what about our trade services, the instruments by which we assist Canadian exporters in expanding their markets abroad?

Trade Commissioner Service

In addition to the very complex trade negotiations which are carried out by the Government to ensure even better access to foreign markets, the Department, as you know, is actively involved in promoting trade abroad. In this respect, the Trade Commissioner Service, the foreign arm of the Department, has recently been reorganized to better serve the Canadian businessman.

Today's Service follows a businesslike "management by objectives" approach; the goal is to maximize results for money spent. Results are hard to gauge, but one can usually determine when a successfully-completed business transaction probably would not have been achieved without the trade commissioner's involvement. Individual posts set their own targets in accordance with market conditions and the resources at their disposal, in the same manner as field sales offices do in some private companies.

Employing a management tool called Program Planning and Budgeting, posts are under instruction to broaden their view by analyzing sales opportunities and trends in their particular markets for five years in advance.

Post managers are now held responsible for using the funds and personnel placed at their disposal efficiently and effectively. The end result is a more structured approach to exploiting worthwhile business prospects for Canada in a given territory. Responsive work is, of course, not being neglected, because it constitutes the "service" aspect of his job, but it forms only part of the tasks which these officers are expected to perform.

The focus of the modern trade commissioner is on more than just marketing. The rest of the product cycle - research, development, pre-production, and production - are receiving increasing attention from him. Canadian industry must be alerted to innovations necessary to keep pace with trends abroad and to new developments in foreign technology. Marketing is only the end phase.

We are re-deploying our forces. Posts are under constant scrutiny to ensure that their trade-promotion results are commensurate with their cost. If not, they will be reduced in size or closed. Other posts may be opened or expanded. In the past year, Canadian trade officers have begun operations in six new locations (counting Buffalo and Minneapolis, which are to be opened within the week) and have closed out four where business conditions no longer warranted the costs involved.

Buffalo will be officially opened next Wednesday. It is the closest trade commissioner post to Brantford, and I hope that the business community of this area will take full advantage of it to expand their sales in this rich and expanding Upper New York State market.

To further broaden global coverage, an increasing number of respected local businessmen are being appointed honorary commercial agents for Canada in markets where there is no post. Outside specialists are brought in for short-term assignments as needed.

Furthermore, the cadre of 100 local commercial officers at posts abroad is being expanded. These are permanent local residents with considerable business experience in the post city and completely fluent in the local language. They provide continuity and have a wider knowledge of local contacts than the rotational trade commissioner finds possible. The plan is to have almost as many commercial officers as trade commissioners in the field within a few years.

Other Promotional Support Services

Aside from the Trade Commissioner Service, the Department has a broad range of programs designed to assist the Canadian exporters.

There are our trade fairs and trade-missions programs, for example. During 1970, the Department will sponsor Canadian participation in 28 international trade fairs and, in addition, will organize 17 trade missions, both incoming and outgoing.

We also have a program for ad hoc incoming business visitors. Last year, thanks to this program, 250 important foreign businessmen and government officials came to Canada to gain firsthand knowledge of our capabilities in fields as diverse as ladies' apparel, telecommunications, agricultural products, sporting goods and toys, airport systems, small appliances, educational and medical equipment, agricultural machinery and diesel locomotives.

The Department also uses other export-promotion tools, such as the "in-store" promotion of Canadian consumer goods, mainly in United States department stores. Another is the Export-Oriented Training Program, under which the Department will subsidize transportation expenses to bring foreign trainees to Canada for education in the after-sales maintenance of Canadian equipment.

As well, we have a Livestock Consultant Fund which pays part of the cost of sending Canadian cattle experts to foreign markets to counsel foreign agricultural officials in cattle breeding and productivity. Naturally, they also try to influence these officials to buy Canadian livestock.

Conclusion

I've attempted to highlight for you the considerable changes that have occurred on the world trade scene this past few years and how Canada fared during that time. The process of change is continuing. I've illustrated some of the problems facing us today, their complexities, and how the Department and the Government are trying to cope with them and to adjust to the evolving situation.

The Department's initiatives must be followed through by the drive and determination of the business community to capitalize on the new opportunities. Your performance in the past has been remarkable, but we must not grow complacent. International competition is increasing. It will be more difficult for us to maintain the same pace as in the past; yet, if we don't, we may not match the \$25-million worth of exports which the Economic Council of Canada projected for 1975 in its last report.

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 70/8

CAMBODIA

Statements by the Honourable Mitchell Sharp,
Secretary of State for External Affairs, in
the House of Commons on May 1, 1970.

(1) A.M.

...I thought that the House might expect me to make a short comment on the situation in Cambodia. I am sure we all listened to President Nixon's speech with deep anxiety. There can be no doubt that the decisions he announced were hard and momentous at what is bound to be a difficult time for our sorely-tried neighbour and a dangerous period for the world.

During the period before the International Control Commission was asked to leave Cambodia, we were aware, as a member of the Commission, of abuses of Cambodian territory by North Vietnam and we deplored the inability of the International Control Commission to do anything about it, despite our best efforts over a period of years....

Ever since the conflict began in South Vietnam, one of our objectives as a member of the Commission was to try to insulate Cambodia from the effects of the Vietnam war. To achieve this we tried to have the International Control Commission consider a Cambodian Government request in 1966 to have the Control Commission supervise Cambodian ports and borders.

In 1967 we tried to have the Commission strengthened by having it accept a United States offer of helicopters which Prince Sihanouk suggested the United States should provide for the International Control Commission. We tried in 1966 to have the Commission undertake investigations into the presence of North Vietnamese and Viet Cong forces in the very area of Parrot's Beak now the subject of military operations, on the basis of *prima facie* evidence provided by the Cambodian Government and Prince Sihanouk himself.

Had we been successful in persuading our Commission colleagues to take these measures, the International Control Commission might at least have been able to provide some warning of the magnitude of the Vietnamese Communist intervention in Cambodia which has elicited the present United States and South Vietnamese response and might even have helped avoid the situation developing to the present stage.

I certainly hope the situation in Cambodia will not now be allowed to develop as did the situation in Vietnam. I deeply regret that the United States Government has considered it necessary to take this step, but we are somewhat reassured that President Nixon has given an assurance of the limited nature of these operations and that United States forces will be withdrawn once their immediate objectives are achieved. It would be tragic, and I am sure this view is shared not only by all Members of this House but by the American people themselves, if these operations were to result in a further escalation of the conflict in Indochina.

(2) P.M.

I thought it might be useful to the House if I were to begin my remarks with a short historical background to the events that we are discussing this afternoon.

The 1954 Geneva Conference on Indochina drew up cease-fire agreements for each of the three Indochina states. As one of the countries invited to serve as a supervisory power on each of the three international commissions provided for in the cease-fire agreements, Canada undertook, together with India and Poland, to see whether or not the parties involved in the agreements properly implemented the terms of those agreements to which they had subscribed. In Cambodia these parties were the Cambodian national armed forces, on the one hand, and the Cambodian resistance forces and Vietnamese military units, on the other.

The implementation of the 1954 cease-fire agreement for Cambodia proved to be a straightforward matter. The more purely military provisions were put into effect without too much difficulty and, with the Cambodian elections of 1955 over, the Canadian delegation urged that the Commission should be disbanded. In Canada's opinion, the job for which the Commission had been established had been completed. We were not, however, able to convince our Indian and Polish colleagues, particularly when it became clear that the Cambodian Government wished to see the Commission continue in being. So the Commission remained in Cambodia with its personnel progressively reduced, until by 1958 only a token staff was left.

Until about 1963, there was not much for the Commission to do. The renewed conflict in Vietnam, however, began increasingly to be felt in Cambodia -- often with tragic loss of Cambodian lives and property. As the situation in Vietnam deteriorated, incidents in the border area between Cambodia and South Vietnam became more and more frequent. For their part, the South Vietnamese and the Americans maintained that any incidents in which they were involved resulted from clashes with Vietnamese Communist forces who were making use of Cambodian territory as a sanctuary to which they retreated or as a base from which they operated against South Vietnam. The charge was also increasingly made that the Vietnamese Communists were making use of Cambodia as a supply-route, both in the northeastern province, along what was called the "Sihanouk Trail", and through the ports along the Gulf of Siam.

Since early 1968, the Cambodian Government itself has complained publicly of the activities of Vietnamese Communist armed forces on Cambodian territory. Evidence substantiating these complaints was contained in an official Cambodian Government report made public in October 1968 in which the Cambodian Secretary of State for National Security reported that armed Vietnamese

continuously installed themselves in certain frontier districts of Svay Rieng Province. In another report, published in October 1968, the estimated strength of these Vietnamese Communist troops was given as 4,000.

By early 1969, public statements by Prince Sihanouk more and more frequently contained charges of extensive Vietnamese Communist infiltration in the border area. In his March 6, 1969, press conference, Prince Sihanouk declared that Viet Cong and Viet Minh units had infiltrated into Cambodia near Mimot and other areas in an apparent attempt to establish a Vietnamese frontier along the Mekong River. In his press conference of March 28, 1969, Prince Sihanouk declared that Viet Cong and Viet Minh units, in some cases in battalion and regimental strength, had infiltrated into Cambodia along Cambodia's eastern frontier and that they had actually engaged in armed conflict with Cambodian military forces in the Parrot's Beak.

In the Canadian Government's opinion, these indications constituted *prima facie* evidence of a violation of the 1954 cease-fire agreement on Cambodia by one of the parties and the ICC had a clear obligation to initiate an investigation to verify the facts. The Canadian delegation proposed such investigations, but this was not taken up by our colleagues before the Cambodian Government, on October 7, 1969, indicated its intention to have the Commission "terminate its mission by the end of the year". Earlier, two Canadian proposals were put forward in the Commission in response to a general request by the Cambodian Government in August 1968 to investigate the alleged presence of Vietnamese Communists in the Parrot's Beak area. These, however, were rejected by the majority in the Commission.

Thus, prior to 1969, the Cambodian Government appeared to us to be genuinely interested in the International Commission. It gave the Commission virtual *carte blanche* to fulfil its responsibilities and provided the permissive framework within which the Commission could act if it so decided. We were unable to persuade our colleagues on the Commission to do so, and by early 1969 the Cambodian Government ceased asking the Commission to undertake any kind of investigation -- even of border incidents allegedly involving U.S.-South Vietnamese forces -- which the Commission had been carrying out. On October 7, 1969, as I mentioned in the House this morning, the Cambodian Government indicated the desire to have the Commission terminate its mission, and on December 4, 1969, it asked the Commission to adjourn *sine die* by December 31, 1969.

It is against this background that we must weigh the present situation in which the United States and South Vietnamese forces have entered Cambodia. The President has declared that this is not an invasion of Cambodia. I express no view on that; that is the statement that he has made. He went on to say that the areas in which these attacks will be launched are completely occupied and controlled by North Vietnamese forces.

He has also made clear that it is not the purpose of the United States to occupy these areas. He said, as I mentioned this morning, that "once enemy forces are driven out of these sanctuaries and their military supplies destroyed, we will withdraw".

I should make it clear here that Canada was not informed about the United States decisions ahead of time. We had no previous knowledge whatever,

and there was, of course, no reason why we should. As I said in the House this morning, there is no doubt that these decisions were hard ones and certainly very momentous. It remains to be seen whether they will accomplish what the President has in mind.

I have no doubt whatever that the President is very conscious of the risks of uncontrolled escalation in this situation, and that this must be a governing factor in the implementation of his policy. I think it is fair to say too that the President made his decision in full knowledge of the opposition of many leading figures in the United States, including Senator Fulbright....

The United States is a democratic country. There are many countries in the world where decisions of government are made without attention to the views of their people. The American people can at any time reject a Government that makes decisions that are contrary to what they believe to be in their interests. I believe, if I may say so, that the American people are as fully conscious as we are as Canadians of the implications of the decisions that have been made by the U.S. Government.

...I doubt very much, however, whether the anguish in Indochina would end if the United States were simply to withdraw its forces immediately and without condition. This seems to me to be the dilemma in which we all find ourselves today.

...(I)t has been suggested that we ought to do more to have the International Control Commission in Cambodia revived. It has also been suggested that we should do more to reconvene the powers involved such as the members of the Geneva Conference. Others have suggested we should take steps to bring the matter before the United Nations.

Let me deal first with the question of reconvening the International Control Commission. We have been discussing this question with those governments directly involved in any decision that would be taken on this matter and there is no indication yet that they see the reconvening of the Commission as being helpful. I have made the Canadian Government's position clear. We are, of course, prepared to see the Commission reconvened if there is any reasonable prospect of its being able to do a job. We have indicated our readiness to participate in a tripartite meeting in New Delhi in order to discuss with India and Poland the function of a reconvened International Control Commission as well as improvements in its methods of operation which would be necessary in order to make it more effective than it was before. Whether there is now any better prospect of the Commission being reconvened is at least doubtful. The only responsibility which the Commission has is to supervise a cease-fire which has already been agreed upon. It may facilitate the implementation of an agreed cease-fire, but it has no mandate, and, indeed, no capacity, to stop the parties engaging in a full-scale conflict.

The French Government has put forward the idea of negotiations among what they call interested parties with a view to the neutralization of the whole of Indochina. When I discussed this proposal with Mr. Schumann in Paris a few weeks ago, he made clear that this was not a new proposal for a new Geneva Conference, although that possibility was not ruled out....The Soviet Union appeared to show some interest in the idea of a Geneva Conference. However, the Soviet Union made no specific proposal, as some believe, and subsequently made clear, in the words of the Soviet Ambassador to the United Nations, that

"convening such a conference is unrealistic at the present time". The New Zealand Prime Minister, Mr. Keith Holyoake, has also urged the convening of a new Geneva Conference on Indochina. No concrete proposals, however, have been made by anyone, and from our own reports we have concluded there is no agreement on the part of the parties most directly concerned that a Geneva Conference should be called.

There is some movement toward the convening of a meeting of Asian countries in Djakarta on May 11 and 12....

While Canada has not been invited to attend this meeting, naturally we have a keen interest in it, since it represents an effort by the countries of the region to reach a consensus on the Cambodian situation and to make recommendations to the parties involved.

It has been suggested that Canada should bring the question of Cambodia before the United Nations. In fact, the Cambodian Government is capable of doing so itself and has, indeed, brought the situation in Cambodia to the attention of the United Nations. So far, however, it has not pressed for a Security Council meeting. If, in fact, the Cambodians believe they have been invaded, notwithstanding the view expressed by President Nixon, then of course they could certainly take this matter before the Security Council.

The difficulty about discussing the situation in Southeast Asia at the United Nations remains as it always has. Many of the parties are not members. Neither North Vietnam nor South Vietnam...is represented and of course the chair of China is occupied by the Republic of China Government rather than by the People's Republic. Furthermore...the Communist side in the dispute has always vigorously denied the authority of the United Nations to discuss the war in Vietnam. ...

It is very difficult under these circumstances to feel that this would be the most useful thing today since there seems to be expressed opposition on the part of one of the parties to the conflict. For the moment, the prospect of any Security Council consideration of the Cambodian situation does not look promising, but there may be other United Nations machinery which might be employed.

I throw out this suggestion. In the past the despatch of a personal representative to troubled areas by the Secretary-General has proved a helpful intervention. This is something which I think might be a useful initiative at the present time. When it comes down to it, however, any of these efforts will be successful only when the various parties agree to negotiation. Until the parties are prepared to discuss the issues, a Geneva-type conference or any other initiative cannot be forced on them. As soon as there is any hope in this respect, there will be an opening for Canada, and indeed the other interested governments, to make a helpful contribution. All we can do in the meantime is to urge the parties to get together, but the idea that one could call upon a group of countries that are not involved in the dispute to settle the dispute is obviously unrealistic. There must be a disposition to negotiate and there must be a disposition to agree. In this case I can assure the House of the Canadian Government's desire to see this agony in Indochina come to an end as quickly as possible. We will spare no effort....



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/9

Some Elements of Canada's Foreign Policy

Address by the Honourable Mitchell Sharp,
Secretary of State for External Affairs,
to the Association of International Law
and International Relations, Bucharest,
June 3, 1970.

...It is a very great pleasure indeed for me to be in Bucharest for the first time. Although relations between Canada and Romania are of relatively recent origin and have not been extensive, I am hopeful that my visit here and the opportunity it provides for discussion with members of your Government will contribute to the strengthening and broadening of our bilateral relationship.

My only regret is that I should be in your beautiful country at a time when it is suffering so grievously from the disastrous floods that have swept down your great rivers. Please accept the sympathy of the Government and people of Canada and their expression of hope for an early recovery. We have already provided some emergency assistance and we expect to be providing more soon.

I am particularly pleased to have the opportunity to address such a distinguished and learned assembly; I know from the Canadian delegates who attended your international seminar held here a year ago of the intellectual calibre of your Association and of your deep concern - which we in Canada share - for the security and peace of Europe. The Canadian delegates were most impressed with the forum for discussion which you provided and will again provide later this week - a forum in which scholars from many countries can talk to, and not merely at, one another. Such real exchanges of views are essential to international understanding and, unfortunately, are all too rare.

I wish on this occasion to go over with you some of the elements of Canada's foreign policy. The major factors determining Canada's foreign policy are its history, its geography, its culture and its economy. Our geography is a paradox. We are, in population, a small country of 21 million, only slightly larger than Romania. We occupy, at the same time, a vast land-mass, the second-largest country in the world, larger even than the entire continent of Europe. We have as our nearest neighbours, one on our southern border and the other across the North Pole, the two largest and most powerful countries in the world: the United States and the Soviet Union. Our cultural make-up is complex. We

are a country of two language groups, English and French, each with its own autonomous culture, and yet a third of our population is neither English nor French in origin. Many of our citizens have come from other parts of Europe, both Eastern and Western. There are, in fact, more than 40,000 Canadians of Romanian background who are contributing their rich heritage to the mosaic of our national life.

Although we are on the North American continent, we have as a country tried to maintain the European traditions that we have inherited and to keep in touch with developments in Europe, applying them to our own situation as appropriate. Our systems of government and law, our mixture of public and private enterprise, our subsidization of culture and our social security system are all based on European models. In addition, since the Second World War our determination has grown to build a Canadian national identity that is original and different from that of either Europe or the United States. Our economy too is, in some ways, a paradox. In spite of our small population, we are the ninth-largest industrial nation in the world and the sixth-largest trading nation. We are, therefore, more conscious than many other countries of the realities of interdependence in the modern world.

Our geographic, cultural and economic realities have traditionally led us, as a middle power, to complement our relations with the United States with ties to other countries of a more similar size. To us, this is one of the advantages of the United Nations, the Commonwealth, and now of the new association of French-speaking countries. In this context we find advantages also in NATO, quite aside from those of a security nature. In the economic field, because of our particular dependence on international trade, we have for a long time pursued a multilateral approach to world trading problems. This multilateralism in politics and trade might be termed the basic principle of Canadian foreign policy. The necessities of Canadian independence make it essential for us to remain open to the world at large.

In reviewing our foreign policy, we have not tried to change this basic principle; rather, we have tried to adapt it to the developments that have occurred in Canada and the world in the last 20 years. We have tried to take account of such factors as the economic recovery of Europe and the growth in Canada of a greater sense of identity, with the consequent desire for the proper discharge of the obligations of our sovereignty at home. We have also had to consider the expansion of Canadian horizons beyond Europe, North America and the Commonwealth to include the French-speaking world, Latin America and the countries of the Pacific. In other words, we have tried to take into account the fact that Canada is, at the same time, an Atlantic, a Pacific, an Arctic and a North American country.

As a part of this enlargement of our world view, we have increased our expenditures on aid to the developing nations, entered into negotiations for the establishment of diplomatic relations with the People's Republic of China and sent missions both to Latin America and the countries of the Pacific. This does not mean, of course, that there has been a diminution of our interest in Europe. Indeed, our current review has confirmed one of the long-standing and basic elements of our foreign policy: that the security of Europe is vital to the security of Canada. Europe is the only area where the major nuclear

powers are in direct confrontation, and war in Europe could trigger nuclear conflict that would inevitably involve us. Our geography, placing us between the United States and the Soviet Union, means that any such war would be fought out over our heads. It is our concern to build real détente and security in Europe and, to this end, we attach importance to the firm establishment of normal working relations between countries whose ideological differences have in the past thrown up barriers creating mistrust and insecurity in Europe. It is our conviction that, in a reasoned assessment, common interests must outweigh differences in ideology.

It would be idle to pretend that there are not important differences in the foreign policies, as in the internal policies, of Canada and Romania. Yet our two countries have had many occasions to meet and to appreciate each other's point of view through our common membership in such multilateral organizations as the United Nations and the Conference of the Committee on Disarmament. There we found that often we were pursuing the same objectives and working jointly for international co-operation, peace and security. It was, indeed, in such organizations that our first official contacts developed. Our bilateral relationship, however, really began in 1967 - only three years ago - with an exchange of letters establishing diplomatic relations. Since then, the accreditation of ambassadors from Washington and Belgrade, the establishment of your trade office in Montreal and of your Embassy in Ottawa have all made their contribution to the growth of Canadian-Romanian relations. In this connection, I take very great pleasure in welcoming the decision of your Government to appoint an Ambassador to be resident in Ottawa.

Because we are so recently established in our diplomatic relations and are so far apart geographically, it is hardly surprising that contacts between our two countries have not in the past been extensive. It is my hope that Canada and Romania will, in the future, be able to develop areas of co-operation and exchange which will be to our mutual benefit. This will take time, of course, but we are prepared to examine with you ways in which our contacts can be broadened. In Canada, we have been impressed by the remarkable rate of growth of Romania's industrial output over the past 20 years. We take great interest in your achievement in the diversification of your economy, particularly in the areas of energy, metallurgy, and pulp and paper, textile and chemical manufacture. These industries and the general field of the exploitation of natural resources may well provide in the future areas of profitable exchange of technological and scientific knowledge between our two countries. We in Canada have developed some advanced techniques in a number of fields, such as resource extraction and energy production and transmission, which are of interest to other countries. You in Romania may be particularly interested in the type of nuclear reactor which we can offer. Co-operation in this field would have the additional advantage of promoting a considerable technological exchange.

Romania's broad approach to world markets is, in many ways, similar to our multilateralism. In bilateral trade relations we have already achieved some success. Last year, the value of Romanian exports to Canada increased markedly from almost \$2 million to over \$7 million. Canadian exports to Romania rose more modestly, to approximately \$1,200,000. There is, however, much scope for greater commercial effort on both sides.

Our cultural relations, too, could be expanded. In spite of some few visits of professors, students and journalists, Canadians and Romanians are largely uninformed about each other. We have a common base from which to work, for both our countries have benefited richly from the strong influence of the French language and culture. I hope that in the future we can do more in this area as well in order to achieve a better understanding and a more vital exchange between our people.

Like Romanians, we in Canada are vitally interested in the search for real détente in Europe and for a lasting solution to Europe's security problems. Europe has for too long been immobilized by artificial rigidities. We wish to explore every opening there may be for discussing seriously the issues that block the path to a stable and equitable political settlement on this continent.

Concerning the holding of a European security conference, which is as much in your minds as in ours, we have taken a positive and forthcoming attitude both in NATO and in our bilateral discussions with other European countries. This has been reflected in Canadian statements in the House of Commons and in NATO and in the Canadian reply to the Finnish initiative of May 1969.

We regard the communiqué and declaration issued by the NATO ministerial meeting in Rome last week as an important and positive move forward and we hope it will be so recognized by others. NATO has now accepted in principle the idea of multilateral exploratory talks with all interested parties about a conference on European security and co-operation. It has also made a precise offer, through the Italian Foreign Minister, to discuss with the other side the possibility of initiating discussions on mutual and balanced force reductions in accordance with certain guidelines. This represents a serious effort on the part of Canada and its allies to move from military confrontation to negotiated solutions of the underlying causes of tension.

I hope this NATO initiative will evoke a favourable response from the other countries of Europe, both aligned and non-aligned, so that further progress can be made. I think it should meet with sympathy and understanding in Romania because it corresponds closely to initiatives the Romanian Government has already taken for the purpose of encouraging movement toward a conference.

We think that a large-scale conference at the right time and in the right circumstances would be useful, that "all governments concerned" should participate, but that the agenda and timing are related in the sense that we must establish what problems are ripe for successful negotiation before we can determine whether it would be appropriate to hold a conference to deal with them. We are concerned to avoid holding such a conference prematurely, and for us the important thing at the moment is to move forward with the negotiating process rather than to decide when a conference might be held. This negotiating process has already begun in the form of bilateral discussions between countries of Eastern and Western Europe, negotiations between the GFR and its Eastern neighbours, and the Strategic Arms Limitation Talks. We hope it will continue and expand with preliminary discussions on mutual and balanced force reductions and exploratory talks about a conference on European security and co-operation. But negotiations can make progress only when there is a readiness all around to talk about something more than a mere freezing of the status quo in Europe. It

would not make sense for Western countries to be drawn into a conference where there is no chance, from the beginning, of an outcome reasonably acceptable to all.

Although not "geographically" European, we have a vital interest in Europe which has been recognized and, like you, we are concerned with negotiating solutions to the problems which still divide this continent. The courage and the realism with which Romania has sought to contribute to peace and security in Europe have greatly impressed us. We have a great admiration for Romania's ability and determination to express its own national character and to develop its own national course of action, within the realities of its geographic situation. As with Romania, it is our concern that all European countries, big or small, should be protected from outside interference and have their sovereignty and independence safeguarded.

There are, of course, other international matters which are of great concern to both our countries, and on which it is important to maintain an exchange of views. No one here needs to be reminded that the world situation in which we find ourselves is, unfortunately, marked by bloodshed and by the threat of a wider conflagration. I need refer only to the situation in the Middle East. I visited this area last autumn and, following conversations with Israeli and Arab leaders, came away more convinced than ever that the only way to achieve a real solution to the problems in the Middle East would be for both sides to moderate considerably their maximum positions. There is no evidence that any such moderating process has since occurred; if anything, an even more dangerous level of tension has developed. Canada's concern that some means should be found to move toward an accepted peace settlement on the basis of the Security Council Resolution of November 1967 has been emphasized to the parties, most recently when the Foreign Minister of Israel visited Ottawa several weeks ago.

The situation in Indochina is equally discouraging. We have watched with growing concern the spreading of the conflict from Vietnam into neighbouring Laos and Cambodia. The International Control Commissions in Indochina have obviously not deterred this development. We deplore this, as we do the apparent failure to date of the principals in this conflict to enter into substantive negotiations. A number of proposals have been advanced to try to get them to negotiate a settlement, but two months have gone by since the first of these initiatives was taken and we are no closer to a solution. We have not given up hope, however, that at the talks in Paris, or at a new conference, a lasting settlement can be reached to enable the Indochinese peoples to live in peace and to permit them to begin the essential work of economic and social reconstruction. We are ready to play our part in such a conference.

Turning to the present problem of global security and the nuclear arms race, the supreme challenge facing the international community is to find something better than the current balance of mutual fear and deterrence on which international security rests. There have been some recent positive developments. The first of these is the strategic arms limitation talks in which the United States and the Soviet Union are now engaged at Vienna. We do not expect instantaneous success in view of the complexity and the seriousness of negotiating the strategic balance of deterrence, but we hope that these negotiations

will eventually prove to be a turning-point in world history. The second important recent event was the coming into force of the Nuclear Non-Proliferation Treaty, which both Romania and Canada have ratified. In our view, this treaty constitutes the most significant concrete achievement to date in the field of arms control. These two developments are not unrelated, of course, particularly because, under Article VI of the Non-Proliferation Treaty, all parties - and particularly the nuclear powers - have undertaken to pursue negotiations in good faith on effective measures relating to the cessation of the nuclear-arms race at an early date. Without ignoring the complexity of the problems that lie ahead, these developments surely do constitute an auspicious beginning for the 1970s, which the United Nations General Assembly has proclaimed as a "Disarmament Decade". My Government assigned a very high priority to our efforts to contribute constructively to arms-control and disarmament negotiations and I am gratified that Canada and Romania have been able to co-operate so well in the Conference of the Committee on Disarmament in Geneva.

One cannot ignore the important role that China will play in the ultimate resolution of major world issues. We welcome the talks on border issues between the People's Republic of China and the U.S.S.R. and the recent talks between the United States and the People's Republic of China. As you know, for over a year Canadian and Chinese representatives have been meeting in Stockholm. We hope and expect that these will result in the establishment of diplomatic relations between our two countries. In this regard, we have followed with interest the development of your relations with Peking. We hope that this is an encouraging indication of the possibility of expanding contacts with China, which we consider of the first importance if we are ever to achieve a stable and secure peace.

There are many other problems of direct concern to governments today. My Government is, as you are aware, compelled to be concerned about environmental problems such as pollution. We have recently introduced into the Canadian Parliament legislation aimed at safeguarding the vast natural resources of the Arctic area. It is the Canadian Government's view that all governments need now to strive as hard toward solving ecological and other environmental problems as toward international political problems.

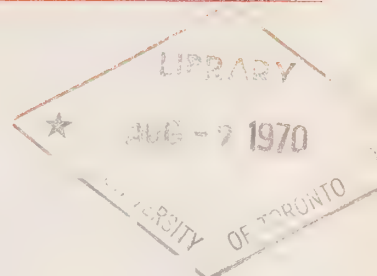
In our political relations with Romania and in our respective views of the international situation, there are, of course, real differences. But, as I have indicated, there are also similarities and shared concerns. Because I hope it may further strengthen this foundation of our relations, I am grateful for the opportunity of this visit to Romania to meet with your statesmen, and for the privilege of addressing your organization .

STATEMENTS AND SPEECHES



CANADA

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/10

CANADA AND LATIN AMERICA - A PERIOD OF MUTUAL DISCOVERY

Statement by the Parliamentary Secretary to the Secretary of State for External Affairs, Mr. Jean-Pierre Goyer, to the First National Assembly of the Organization of American States, Washington, June 30, 1970.

... Permit me to begin, Mr. President, by extending the condolences of the Government and people of Canada to the Government and people of Peru, and especially to the families of the victims, on the occasion of the terrible earthquake that caused so much devastation and took so many lives. As the emergency-relief phase comes to an end, I can assure the Peruvian authorities that my Government will look with sympathy upon any request for assistance in the reconstruction of the devastated areas.

This meeting of the General Assembly of the Organization of American States (OAS) is a historic occasion. It is an honour for Canada to be represented here, just as it is a privilege for me to be Canada's representative. I have listened with great interest to the distinguished speakers who have so far taken part in your general debate, and I am grateful to you for giving me the opportunity to say a few words. I have asked permission to speak because the Canadian Government has recently completed a general review of foreign policy from which has emerged Canada's future orientation toward Latin America and toward the Organization of American States. I should like to talk to you about this for a few minutes.

I believe that we have entered a period of mutual discovery by the people of Canada and the peoples of Latin America. We are already acquainted. We enjoy many contacts with one another, both bilateral and multilateral, both official and private, in the hemisphere and outside it; we can each cite statistics to prove that economically we are increasingly important to each other; and so on. Yet what is now beginning to take place transcends this. Certainly on the Canadian side the relatively few people who already know Latin America quite well are hopeful that henceforth their understanding of that part of the world will be conveyed to a great many other Canadians, who previously knew very little about Latin America, and that henceforth there will be a wider appreciation in Canada of our Latin neighbours. The more we learn about that part of the world, the more we feel in sympathy with the people who inhabit it. We sense that, with their rich historical and cultural

backgrounds, the people of Latin America are the kind of people we should like to know better, with whom we should wish to work in the pursuit of common objects. For us, in short, Latin Americans are a vital and imaginative people who have done important things and are destined to do more. In a word, we wish to build upon the communio de coeur that already exists, but at the same time we wish to strengthen in a more systematic fashion the community of spirit that is so essential and necessary to our relations with one another.

It follows that Canada's role must be played on a broad front -- political, cultural and economic. We already share common goals. Like you, we wish to safeguard sovereignty and independence and to work for peace and security in the world. We wish to consult and work with you in pursuit of these goals.

Again like you, we wish to enhance the quality of life of our people. In this area, in which there is much room for true reciprocity, we hope to co-operate more and more closely with the Latin American countries. In the realm of the arts (both popular and professional) -- films, television and other audio-visual techniques, academic and practical disciplines, and science and technology generally -- there are great possibilities for fruitful exchange in the years ahead.

At the same time, both Latin Americans and Canadians face the growing problem of determining which of the new technologies they really need. This is an area in which of us could learn from the other. Arbitrary application of scientific techniques can have harmful long-term effects in developing areas such as certain parts of Latin America; research into real needs and selective introduction of methods suitable to the social and physical environment are essential. Canada has similar problems, and it would find helpful a closer relation with Latin America in this sphere. At the same time, we hope that Canada's International Development Research Centre will be of assistance to Latin American governments.

It is in the practical field of social and economic development that Canada and the Latin American countries may increasingly find opportunities for constructive relations. It is not generally appreciated that in many ways Canada's heritage is similar to that of Latin America. Each is a vast territory, rich in natural resources, much of it undeveloped or even unexplored. Our populations are mainly European in origin, with varying admixtures of indigenous peoples and of immigrants from other parts of the globe. For more than three centuries, each in his own way, most of us have been adapting to new surroundings and striving to build a new society in a new world. In some ways we have all signally succeeded but in other ways we have all markedly failed. Of this I am sure -- we have a community of problems, a community of aspirations and, in the last analysis, a community of human resources. I believe, therefore, that what we have in common most of all is a need and a determination to make it increasingly possible for the ordinary man and woman to enjoy the good life and to provide such a life for their children. All our governments agree on this as a fundamental goal of public policy. In Canada we speak of promoting social justice and of fostering economic growth; with enhancement of the quality of life, these are the policy aims to which the Canadian Government now attaches the highest priority in its conception of the national interest. In hemispheric terms, such aims

have been clearly and forthrightly set out in the revisions to your Charter, and they, in turn, are a reflection of the increase in the emphasis placed on social and economic development by the member governments of this Organization. We welcome this new statement of high principle, which is entirely compatible with what we consider to be the essence of our own policy review.

It is because Canadians share these ideals that my Government intends to increase, so far as its means permit, its contribution to your arsenal for peace. To this end, we should like to take a number of steps in the development-assistance field that will more than double our present allocation of funds to Latin America. Similarly, the Canadian Government would like to participate as a full member of five more inter-American organizations dealing with social or economic questions. In addition, because Canadians wish to foster economic growth, the Canadian Government is going to initiate measures designed to increase trade in both directions and to promote private investment in Latin America, although only in a manner which fully respects the policies and interests of host countries.

There remains the question of Canada's relations with the OAS. The Government has carefully considered the question of whether Canada should seek membership at this time and has decided that, while it may be that, in future, a Canadian Government will conclude that Canada should join, the best present course for Canada is to draw closer to individual Latin American countries and to selected institutions of the OAS and other inter-American institutions, thus preparing for whatever role it may in future be called upon to play in the western hemisphere and gaining the added experience that is indispensable in a complex milieu few Canadians yet know very intimately.

As you know, Canada already sends observers to some meetings of the Inter-American Economic and Social Council, the Council of Education, Science and Culture and the Committee of the Alliance for Progress, as well as of the IADB. Canada is a member of the Pan-American Institute for Geography and History, the Inter-American Centre of Tax Administrators and the Centre for Latin American Monetary Studies. The Canadian Government wishes to strengthen its links with these organizations.

In addition, Canada will seek full membership in the following inter-American organizations: the Pan-American Health Organization, the Inter-American Institute of Agricultural Sciences, the Inter-American Indian Institute, the Inter-American Conference on Social Security, and the Inter-American Export Promotion Centre. Canada will also contribute to the Inter-American Emergency Assistance Fund.

Finally, if the member countries of the OAS should be agreeable, the Canadian Government would be interested in establishing a formal link between Canada and the OAS at a suitable level. We should envisage a Canadian representative as having the status of a permanent observer. We should hope that he would be able to attend, on a continuing basis, meetings of inter-American bodies in which Canada had an interest and at which Canadian attendance would be appropriate. As the principal channel between Canada and the OAS, we should envisage his concerning himself with all aspects of inter-American affairs in which the Canadian Government might legitimately take an interest. We believe that such

an arrangement would do a good deal to improve Canadian knowledge and understanding of Latin America, and, in particular, of the OAS and other regional institutions of the hemisphere. At the same time, we hope that through this new relation our neighbours in this hemisphere will come to understand better Canadian aspirations and attitudes.

Those, Mr. President, are the principal ways in which, in co-operation with the Latin American countries, the OAS, its associated organizations and, as appropriate, Latin American regional institutions, the Canadian Government wishes in future to develop its relations with Latin America. More detailed information about our proposed programs and the thinking behind them may be found in a paper entitled Latin America, which is one of those recently issued by the Canadian Government following its foreign policy review....

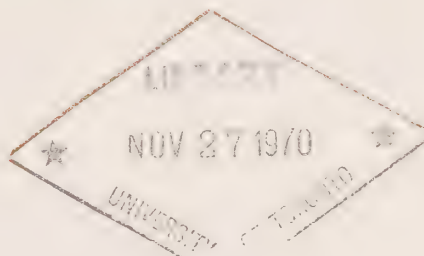
It may be that what I have had to say today, even when considered with the Government's more detailed policy statement, will fall somewhat short of expectations in some quarters. If so, I can only suggest that it will be recognized that Canada is a middle power whose resources are stretched in a number of ways, and that it will be understood that it is the Canadian Government's desire to move as quickly and as constructively as possible in the direction of full co-operation in the hemisphere. It is in that spirit, Mr. President, that I venture to express the hope that, because of the happy coincidence in time of this OAS meeting and the recent announcement of certain aspects of Canada's future foreign policy, today's session may fairly be regarded as marking a new departure in relations between Canada and its fellow nations in the new world.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
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CORRIGENDUM SHEET

Statements and Speeches No. 70/10

In the subtitle, instead of "First National Assembly of the Organization of American States", read "First Special Session of the General Assembly of the Organization of American States".

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/11

WORLD ORDER AND WORLD SECURITY

An Address by the Honourable Mitchell Sharp,
Secretary of State for External Affairs, to
the World Congress of the World Association
of World Federalists, Ottawa, August 24, 1970.

Mr. Chairman, Mr. Secretary-General, ladies and gentlemen:

It is my pleasure, personally and on behalf of the Government, to welcome the delegates and guests of this Congress to Canada. We are honoured to have you here. You are already well embarked on a very demanding program, and it is obvious that you have come here with a serious intent to further the work of your Association. At the same time, I very much hope that all of you will have an opportunity to see something of Canada, not just the beautiful surroundings of the capital, but something of Canada's infinite variety of scenery, of culture and of spirit.

I don't have to tell you that Canada is a federal country where jurisdiction is shared between the Federal Government and the governments of the provinces. A hundred years ago, when our constitution was written, government played a relatively small role in the lives of the people and, at least from the perspective of today, it appears that the system worked without great difficulty. The complexity of life in a modern industrial state has raised jurisdictional problems of great magnitude and we have had to learn how to proceed by agreement; we have had to develop new techniques to conduct the national business effectively.

Canada is composed of two great language groups, English and French, and of a multitude of cultures, both indigenous and brought from every nation on earth. The one-third of our people who are French-speaking are much more than a large minority in Canada, they constitute the largest and most significant French community outside metropolitan France and they are an integral part of the mainstream of French culture.

Canada divides into a number of distinct geographical areas: the Atlantic Provinces, the St. Lawrence Valley and the Great Lakes basin, the Prairies, the Pacific coast and the Arctic North. These regions complement one another; they compete with one another, and at times their interests come into conflict.

I say all this not so much to give you a sort of primer of the facts of modern Canada as to suggest that in Canada, in microcosm, we are working day by day with the same problems that the world faces on a global basis. I believe that the experience of federal countries such as Canada is vitally important in working out solutions to the problems of world order.

This is not to suggest that in Canada all is for the best in the best of all possible worlds. We are still constantly searching, experimenting and learning. We are learning how two great cultures can live together in equality, freedom and harmony while preserving the cultural heritage of those belonging to neither. We are learning how our indigenous peoples, the Indians and the Eskimo, can enjoy the benefits of modern society while retaining their own integrity. We are learning how to overcome the pockets of chronic under-employment that result from our geographical and climatic disparities. And all the time we are striving to improve our constitutional system so that governments can share jurisdiction, not in the narrow interests of political groups but in the wider interests of all our people.

Speaking in Washington last year, the Prime Minister said that for Canada, living next door to the United States was like sleeping with an elephant -- however good-natured the beast may be, every twist and grunt affects you. The central problem Canada faces is how to live distinct from but in harmony with an immensely powerful neighbour. It seems to me that here too there are lessons to be learned from Canada's experience. In your work it must surely be your aim to find the set of circumstances that will yield a maximum of world order and security while protecting and preserving the essential spirit and culture of all the world's peoples. Cultural homogeneity, even if it were possible to contemplate, suggests no more than cultural stultification, cultural stagnation and cultural sterility.

In the course of a lecture in Montreal some years ago, Barbara Ward put forward a rather startling suggestion. She said that Canada had the opportunity to become "the first international nation". The phrase is paradoxical, of course, but a paradox can contain a truth or, as in this case, offer a challenge. Perhaps Lady Jackson wanted to suggest that in a world made up of nation states, and likely to remain so in the foreseeable future, it was still entirely possible for a nation state to see itself not as an island entire in itself, but as a part of the main, to adopt John Donne's words.

It is this viewpoint that the Canadian Government adopted in a recent basic and exhaustive review of our foreign policy. The process of review has taught us many things about ourselves, and about the world we live in. In particular, it has brought home to us how interdependent the world has become, in terms of power and politics, in terms of the economy and in the very terms of man's life on earth. Independence, on an individual basis or as a political entity, is dear to man's heart. Millions have fought and died to achieve it and some are still doing so. Perhaps it always was a relative term; certainly it is today. Nations can and do enjoy a measure of independence, but it can only be enjoyed with a much greater interdependence. Not even the super-powers, the United States and the Soviet Union, enjoy full independence today. We have, therefore, sought to base our foreign policy on the national aims of the Canadian people, shaped by the constraints and opportunities of the prevailing international situation.

Men of goodwill everywhere respect the aims of your association, Mr. Chairman. You are working for a better, happier and safer world, your aspiration is one that can lift man's eyes from his immediate day-to-day concerns to a more distant objective.

Even as we look to the future, we must live in the world as it is, a world of nation states, complementing one another, competing with one another and inevitably coming into conflict with one another. And, at the same time, a world of nation states that are becoming increasingly interdependent. There is only one crew on Spaceship Earth, and we must work together as a crew if we are to continue to travel in our orbit with even a measure of safety and well-being. We must find a better base for our security than the fragile and uneasy balance of deterrence; we must achieve a better distribution of the world's wealth and a more rational use of the world's vast but finite resources.

It is a fortunate thing for Canada that your meeting here coincides with the twenty-fifth anniversary of the United Nations, and that it gives us another opportunity to welcome the Secretary-General, whose name and work are honoured throughout the world. Of all the attempts to bring order into the world community, going back as far as the *Pax Romana*, the United Nations is the most significant and the most successful. It is sometimes suggested that the United Nations has outlived its usefulness. Canada categorically rejects that position and that interpretation. I, for one, as a man who must live in the world and as a foreign minister who must take part in its councils, cannot envisage a world without the United Nations. It is true that in my speech on behalf of Canada at the General Assembly last year I voiced certain criticisms and certain doubts about aspects of the United Nations' procedures and operations. I did so on behalf of a country that has been an active participant in the work of the United Nations since its inception, a country that is fully committed to the principles in the Charter and that will continue to play its full part as a member state.

We should remember that the United Nations as at present constituted is not, in the end, an embryonic world government. It brings together nearly every country on earth (in Canada we believe that the sooner proper arrangements can be made to bring in the few that remain outside the better), but even as they come together the nations often act in a self-interest that is limited and confining. As a forum to regulate the great questions of war, peace and security, the United Nations has not, perhaps, lived up to expectations for the very reason I have just suggested. On the other hand, we can take heart from the quiet, steady and immensely rewarding work the United Nations and its agencies are doing to bring about a better ordering of the relations between nations. I should like to refer to a few of these efforts.

Over the last several years, the United Nations and its Disarmament Committee in Geneva have made real progress in the field of arms control. In 1970 the Non-Proliferation Treaty came into force -- the most important achievement to date. Very shortly, the Committee should reach agreement on the draft text of a treaty banning weapons of mass destruction from the seabed, which we hope will be endorsed by the General Assembly and opened for signature shortly thereafter. It is also encouraging that, parallel with these efforts in the United Nations, the United States and the Soviet Union are pursuing their negotiations on measures to curtail the strategic arms race in both offensive and defensive missiles.

I said earlier that the United Nations has not played the role in peacemaking that its founders foresaw. But we must acknowledge the intractability of the problems it has had to contend with. In the tragic Middle East conflict, for example, the only generally acceptable machinery for peacekeeping and peace-making endeavours has been United Nations machinery. It is in the United Nations context that the great powers have been seeking to bring to bear their invaluable influence toward promoting a settlement. It is a United Nations cease-fire which has at last been restored, opening the way for possible movement toward peace talks. If, as we earnestly hope, these talks are successfully launched in the weeks ahead, it will be under the aegis of the United Nations Secretary-General's special representative, Ambassador Jarring, that the search for peace will go forward. Facing such problems, I ask myself, without an organization having the global stature of the United Nations, where would we turn?

As regards United Nations efforts to achieve social justice, I need only mention the International Convention on the Elimination of Racial Discrimination, which came into force last year. The world community simply cannot afford racial discrimination, as much for practical as humanitarian reasons. I commend the efforts of the Secretary-General to secure the signature and ratification of the Convention by all member states in this year of rededication.

The field of international law is one of fundamental importance, and a field of endeavour in which Canada has been active for many years. The work of the United Nations toward the development of a body of law to govern outer space is an example of how the nations working together can anticipate problems that are still, perhaps, far off in the future. The work of the International Red Cross Conference on international humanitarian law held last year in Istanbul is an example of how problems that have been with us for years can be faced by co-operative action. A declaration of principles of co-operation and friendly relations among states is likely to be proclaimed as part of the anniversary celebrations in October after seven years of study and debate by a special UN Committee. This declaration could have great influence as an authoritative interpretation of the basic Charter principles regulating the relations between states.

Of special interest to Canada, with a coastline said to be the longest on earth, is the law of the sea. The United Nations is on the verge of reaching agreement on a set of principles to govern the exploration and exploitation of the seabed beyond the limits of national jurisdiction. Canada has long been an innovator in this field, and our new Act of Parliament establishing a pollution zone in the Arctic, not for our benefit only but for the sake of all mankind, is an example of state practice that will lead, we are confident, to international agreement and new international law.

The threat to the Arctic ecology posed by the possibility of oil-spillage in the frigid Arctic waters is only one in a long list of threats posed to our new physical environment by our uncontrolled exploitation of the world's resources. It is hard to believe that our search for the economic betterment of our peoples has, as a by-product, opened the possibility and the very real threat of the destruction of our environment. We find ourselves in a rapidly accelerating situation, faced with a threat that is increasing in a geometrical rather than an arithmetical progression. In the technologically-advanced nations we have to find, as a matter of the utmost urgency, means to

recapture the purity of the atmosphere, the waters and the earth. In the developing countries ways must be found to achieve the benefits of technological advance without paying the price of a polluted environment. The world community, and individual nations, have very hard choices to face. I pray that we shall face them and meet in a straightforward way the challenges they pose. It is in this framework of urgency, if not crisis, that the United Nations conference on the environment will meet in Stockholm.

Dealing briefly in this way with some of the work of the United Nations in bringing about a better world order, which must in the end come about by political means, I emphasize that we should not underestimate the organic growth that is going on, slowly but steadily, to build up the infrastructure upon which an eventual world order must rest. As international treaties, United Nations conventions and declarations, international law and jurisprudence continue to regulate and settle specific problems between nations, they are clearing away the underbrush, so to speak -- letting us see more clearly the difficulties that remain to be overcome.

Canada, Mr. Chairman, is a peace-loving and a peace-seeking nation. Canada is not founded in the blood of revolution but upon agreement reached after years of discussion and compromise. It lives by discussion and compromise. We hold passionately that the world's problems are not to be solved by armed conflict or sterile confrontation but by quiet, steady, peaceful negotiation. This is a belief we share with you and your organization, Mr. Chairman. And we have faith. There are signs that the seventies may be the decade of negotiation, as the sixties, tragically, was the decade of confrontation and conflict. I have already mentioned the Strategic Arms Limitations Talks; in recent weeks we have seen a treaty signed by the Federal German Republic and the Soviet Union that is a most hopeful augury of *détente* between the East and West. For the first time in many years, we can see the beginnings of progress toward peace talks in the Middle East. The signs that China is coming out of a long period of isolation, while presenting a challenge, must be welcomed, since it is totally unrealistic to contemplate world order and world security without the full participation of that ancient culture and powerful modern state.

If the coming years see the relaxation of tension the world needs so desperately, they will also see the freeing of vast resources now locked up in sterile confrontation -- resources that should be put to work to recapture and safeguard our threatened environment, to meet the urgent needs of the developing nations, to offer to the peoples of the world the possibility of a life not only richer but fuller and more rewarding.

This, in the end, Mr. Chairman, is surely the aim of your Association. It is Canada's aim, too.



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/12

CANADIAN FOREIGN POLICY AND THE THIRD WORLD

A Speech by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, at the University of Toronto, September 18, 1970.

In June I issued, on behalf of the Government, a series of papers called "Foreign Policy for Canadians". It is a simple title, yet in itself it states clearly the Government's purpose in instituting a basic, and broadly-based, review of Canada's international relations, policies and operations. This was to examine Canada's foreign policy in terms of our basic national interests, to reach conclusions as to its effectiveness in terms of Canada's position in the world in 1970, to identify areas where change was required and to indicate new directions for the future.

My subject this evening is "Canadian Foreign Policy and the Third World". I shall get to it, if you bear with me. First, I want to talk about Canadian foreign policy in the wider sense. I shall begin by discussing the foreign policy papers with you, telling you what they are and something of why and how they were written. To some extent they record and report decisions made by the Government. To some extent they give notice of actions the Government intends to take. In these two areas they are a statement of Government policy. To a much greater extent the papers, and particularly the general paper, represent the Government's views - its views about the world as it exists today, its views about Canada's place in that world, its views about Canada's national aims and goals and of how these aims and goals can best be fostered and pursued in their international dimension. When the Government expresses its views, it is seeking the widest possible public discussion, saying, in effect: "Here is how we see it, how do you see it?" If that frail and delicate plant called "participatory democracy" is to flourish and bear fruit, it will only be because the interested public learns how to engage the Government in dialogue about issues and the Government learns how to profit from such a dialogue.

This is not a simple matter. Institutions resist change, and when the institutions have as their declared aim to achieve and maintain political power the resistance is all the greater. I regard this evening as a part of the essential learning process in which we are all engaged.

So is the publication of the foreign policy papers. Their value in the longer term will depend not upon the ammunition they give to the Government's critics and how well that ammunition is used but upon the quality, point and effectiveness of the public discussion they engender.

So now you know, I hope, why the papers were published. How were they written? A prominent Toronto paper told its readers that in the foreign policy papers the Government had forced its position upon the experienced officers in the Department of External Affairs, while a prominent Montreal newspaper said that the obscurantists in the bureaucracy had again succeeded in blurring the clear outlines of the Government's policy. "You pays pays your money and you takes your choice."

Let me describe the process as it really happened. First, background papers were prepared by many agencies and departments of Government. These were then collated and reduced to reports of fairly manageable size. Meetings were held between officials and academics, businessmen and others with special interests and knowledge under the auspices of the Canadian Institute of International Affairs. Perhaps some of you here took part in these meetings. They were a learning process in themselves. The first, on Europe, was perhaps little more than a lesson in how not to do it. The last, on the Pacific, was a lively and rewarding experience for all concerned.

When the papers reached the Cabinet, they represented a distillation of two years' work and experience. They provoked lively discussions in Cabinet committees over a period of weeks; they bounced back and forth from Cabinet committees to officials until the Cabinet could issue them to the public as a clear statement of the Government's views about the foreign policy for Canadians.

I come now to the heart of the matter, to a discussion of what the papers contain and where they take us.

Carrying out the review involved identifying and challenging the assumptions on which Canadian foreign policy has been based. One assumption, however, had to be made, "...that for most Canadians their 'political' well-being can only be assured if Canada continues in being as an independent, democratic and sovereign state". Without this assumption any discussion of a foreign policy for Canadians would be meaningless. Unless we are independent and sovereign, we have no need for a foreign policy. Unless we are democratic there is no point in public discussion.

The paper continues:

"Some Canadians might hold that Canada could have a higher standard of living by giving up its sovereign independence and joining the United States. Others might argue that Canadians would be better off with a lower standard of living but with fewer limiting commitments and a greater degree of freedom of action, both political and economic.

For the majority, the aim appears to be to attain the highest level of prosperity consistent with Canada's political preservation as an independent state. In the light of today's economic interdependence, this seems to be a highly practical and sensible evaluation of national needs".

So much said, the Government defines basic national aims as follows:

- that Canada will continue secure as an independent political entity;
- that Canada and all Canadians will enjoy enlarging prosperity in the widest possible sense;
- that all Canadians will see in the life they have and in the contribution they make to humanity something worthwhile preserving in identity and purpose.

The foreign policy review is based on the premise that foreign policy is the means whereby these national aims are pursued in the international environment. I suggest this is a valid premise. Our foreign policy is not identical with the foreign policy of any other country, even that of our closest friends. Every country has something to preserve and develop that is unique and something to contribute that is valuable and we need have no hesitation in asserting that Canadian foreign policy is directed to the achievement of Canadian objectives, just as the foreign policy of Denmark is directed to the achievement of Danish objectives and that of the Soviet Union to the achievement of Soviet objectives.

This is not a narrow or selfish proposition. It doesn't preclude co-operation with other countries, or alliances, or the promotion of values shared by Canadians, such as non-discrimination or the support of international enterprises. It is simply another way of saying that our foreign policy is based upon our interests and objectives and not upon the interests and objectives of other countries or other peoples.

Foreign policy for Canada as for all other nations is not made in a vacuum; the world does not stand still while Canada shapes and sets in motion its foreign policy. Canada's policy objectives may complement or compete with those of other nations. The aims and goals of other nations impinge upon Canada's freedom of action in the international sphere. We live in a world of dynamic change. Events thousands of miles away or next door can alter international relations. Domestic developments can affect foreign policy planning. Forecasting is perhaps more difficult in this field than in any other. To quote the report:

"The problem is to produce a clear, complete picture from circumstances which are dynamic and ever-changing. It must be held in focus long enough to judge what is really essential to the issue under consideration, to enable the Government

to act on it decisively and effectively. That picture gets its shape from information gathered from a variety of sources - public or official - and sifted and analyzed systematically. The correct focus can only be achieved if all the elements of a particular policy question can be looked at in a conceptual framework which represents the main lines of national policy at home and abroad".

Having made the two more or less obvious points that Canadian foreign policy should be designed to achieve Canadian objectives and that we live in an unpredictable and dangerous world, the foreign policy review then turns to the means at hand of trying to achieve Canadian objectives.

Here, I warn you, we enter upon what is bound to be debatable ground and I offer only one guiding principle, and it is this. Let us, in our foreign policy, as in our private and collective lives, try to "do our thing". We are not a great military power - we do not aspire to be one. We cannot determine the great issues of peace and war. Canada is, however, strategically located. By international standards it is comparatively rich. It is a great trading nation. It occupies an extensive land-mass and has one of the longest coast-lines. We speak two of the principal languages of international discourse. We have a well-established tradition of democracy and social justice. Our people and their forefathers came to Canada from all parts of the world.

As the foreign policy review puts it, "Canada's available resources - money, manpower, ideas and expertise" should "be deployed and used to the best advantage so that Canada's impact on international relations and on world affairs generally will be commensurate with the distinctive contribution Canadians wish to make in the world".

Perhaps one other general comment is in order. The foreign policy review is concerned primarily with the principles of foreign policy rather than with specific issues, although some of the specific issues are discussed as applications of these principles.

You will not, for example, find a discussion of the Middle East crisis or of the Vietnam war, of Cuba, or of events in the Commonwealth Caribbean or of many other urgent matters that engage the daily attention of my officials and myself. These are for the most part particular events abroad to which we have to react.

What you will find in the papers is an attempt to lay down a framework for the consideration of policy, as a guide to our Government and people and to the governments and peoples of other countries in their relationships with us.

In constructing this framework we asked ourselves this question: What does a modern government try to do in promoting the interests of Canadians?

We found that there were six general themes under which activities could be classified:

- fostering economic growth;
- safeguarding sovereignty and independence;
- working for peace and security;
- promoting social justice;
- enhancing the quality of life;
- ensuring a harmonious natural environment.

As you will see, these themes apply both to domestic policy and to foreign policy. For a great trading country like Canada, economic growth cannot be fostered at home without fostering it abroad. Safeguarding sovereignty and independence requires international recognition as well as domestic action. Peace and security are world-wide problems. Social justice cannot be compartmentalized; one cannot be effectively opposed to discrimination abroad and practice it at home. The quality of life is enhanced by contacts with other peoples. Canadians with their vast coastline and frontier with the United States are aware that pollution of the environment knows no political boundaries.

These six policy themes gave us the framework for policy. But to have let the matter rest at that point would have been equivalent to being in favour of motherhood. We had to attempt to indicate the emphasis among these various themes if we were to give a sense of direction to our future policy.

This was hazardous undertaking because it was open to misinterpretation and, of course, to deliberate distortion.

It goes without saying that each of the categories is of the highest importance. One could argue, and some have, for example, that sovereignty and independence come first, because without them there is no foreign policy for Canadians to bother about. Equally, it could be argued, and it has been argued, that without peace and security we all run the risk of being destroyed in a nuclear holocaust.

I do not quarrel with these arguments, but I should point out that the purpose of our foreign policy review was to set guidelines for Canadian foreign policy, not for the foreign policy of a super-power upon whose decisions the fundamental questions of peace and war so much depend.

We had to decide how best to employ our limited resources to make the greatest contribution to the furtherance of our aims and aspirations. And we came to the conclusion that we had more to contribute in some directions than in others.

Looking at our foreign policy and its effectiveness today, the Government decided that more emphasis than in the past should be placed upon economic growth, social justice and quality of life. This does not and cannot suggest that the other policy themes - harmonious natural environment, peace and security, sovereignty and independence - have been downgraded. This is

simply not possible. All are essential ingredients of national policy and all engage the Government's attention at all times.

Emphasis upon economic growth is not a self-seeking, "fast-buck", philosophy. Canada is a developing country; it is plagued by areas of chronic underdevelopment. These regional disparities must be removed if Canada is to offer a decent and rewarding life to all its citizens. Economic growth is the only answer.

Canada's international development program, which you will be considering as the "teach-in" goes on, comes within the policy theme "economic growth". It is our contribution to the great task facing the developing nations - to accelerate the growth rate of their economies. For Canada, development assistance is not a series of handouts, it is an effort to work in partnership with the developing nations toward the goal of economic growth that is for the greater good of us all.

I think it is true to say that Canada exports more per capita than any other country; certainly we are well in the forefront. Fostering economic growth for Canada means working for the good health of the international trading community; our own economic well-being and that of the developing countries depends upon a buoyant world market. The existence of two super-powers makes the ranking of nations as great powers, middle powers and small powers irrelevant. Canada makes no pretensions to "power" in the absolute sense, but it does intend to have an effective voice in world affairs. To act constructively in the community of nations one must have a power-base of some kind. In this limited sense, Canada must be seen as an economic rather than a military power. Emphasis on economic growth enhances Canada's capacity to play its full part in the councils of the nations.

The policy themes can and do come into conflict and require the Government to make hard choices. An obvious and timely example is the possible conflict between economic growth and harmonious natural environment. I do not need to labour this. The spread of industry brings jobs and wealth. It also can pollute the air, the ground and the water. Canada and every other technologically-advanced nation is facing hard choices in this area today. So, as their economies grow, are the developing countries. I hope we are ready to face the challenge and make the hard decisions.

Canada condemns apartheid without qualification. We give greater support to the views of black Africa states when this matter comes before the United Nations than any other Western country - and this is recognized by them. We have abided by UN resolutions on the sale of arms to South Africa. We give important and growing development assistance to the neighbours of South Africa and Rhodesia. We are extending our diplomatic ties with those countries. Polymer is in process of divesting itself of the small investment it has in South Africa. We strictly observe the United Nations trade embargo on the illegal regime of Rhodesia. We took the lead in expressing our concern to Britain about the resumption of arms sales by that country to South Africa.

It has been suggested that Canada should also cut off or discourage trade with South Africa because it practices apartheid. I suggest to you that this is a debatable proposition. In principle (and with the exception of

sanctions approved by the UN), Canada does not refuse to trade with a nation because it disapproves of its form of government or finds some of the actions of its government repugnant or repulsive. From time to time, we had been urged to do so by Canadians and foreigners who dislike regimes like those in Cuba, China and the Soviet Union, but we did not follow this advice; indeed, we encouraged trade with those countries as a means of promoting contacts between our respective peoples, and I believe the great majority of Canadians approved of the Government's position.

The nub of the matter is the purpose of cutting off trade. What is the intention? To change the policy of the South African Government? If so, the embargo would have to be extensive before it would have much effect and there is no evidence at all that an embargo would be widely supported by the principal trading nations.

Is it to punish the South African Government or the white minority? I am inclined to think that the worst sufferers would be the black majority, who do most of the work in South Africa in producing goods for export.

Or is it to satisfy our own emotional needs to express our repugnance for apartheid? Is so, then I think that emotional satisfaction has to be measured against the considerations I have mentioned. This is not callousness or putting money-making ahead of principle. Our embargo on arms shipments is evidence that Canada does not give priority to money-making. The proposal that Canada should cut off or even discourage trade in peaceful goods with South Africa should be looked at honestly and forthrightly and the decision made in the interest not only of ourselves but of the oppressed for whom we have sympathy and to whom we want to give support.

If trade sanctions imposed unilaterally are a form of punishment not likely to bring about reform, it is perhaps strange that many people who decry punishment as an answer to crime and social misbehaviour within their own societies are so eager to see it imposed internationally, where the possibilities of good results are so much more remote.

I have tried to give you some idea of the basic thinking that went into the general paper. I believe it is a unique document; I know of no other nation that has attempted to articulate the principles behind its foreign policy. I know it is not perfect, but I suggest it merits your thoughtful consideration. This is a free society and you are all welcome to do all you can to push the Government in the direction you want it to go, either in general or with regard to a specific issue.

Is there anything new in the papers? Leaving aside the specific Government decisions they contain, which are obviously new, I think there is. First, we have thought out our foreign policy in a more systematic way than ever before. This is more than an intellectual exercise; it will affect the formulation and operation of specific policies in the future.

For many years, a great many Canadians had seen Canada primarily as an active member of the Commonwealth, the United Nations and NATO and as a close ally and partner of the United States. The foreign policy papers

represent a view of the world much more specifically from a Canadian vantage-point. We have decided that Canada should continue to be active in its alliances and the international groupings of which we are a part, including, and this is something new, the grouping of nations wholly or partly of French expression, la Francophonie. But we continue these associations not because we have had them for years but because the Government is satisfied that they help to foster our national aims and goals.

For a large part of its history Canada's attention has been focused southward upon the United States and eastward upon Europe, more particularly Britain and France. We have seen ourselves as a Northern Atlantic nation. Looking at the world from a Canadian vantage-point, we have come to realize that we are, and to begin to accept our responsibilities as, an American nation, an Arctic nation and a Pacific nation. The paper on Latin America indicates our growing interests in the hemisphere as a whole, including, of course, the Caribbean. The recent Arctic legislation presented in the House of Commons represents our assumption of responsibility for the ecology of the Canadian Arctic not only in our own interest but in the interest of all. The growing importance to Canada of the Pacific nations is dealt with in the paper on the Pacific. And what we are seeing in this geographical dimension is not so much change as enlargement. The widening of our horizons does not lessen the close ties we have with the United States, although it may help us avoid increasing our economic dependence upon the American economy. In Europe our traditional ties with the Western states are being strengthened and new ties forged with the nations to the East. Our traditional relations with India and Pakistan have not been lessened; in Africa, our historic connections with the new states of English expression are being enriched by new relations with new states of French expression. It is difficult to see how some observers, at home and abroad, can suggest that Canada is retreating into isolationism simply because we look at the world, as all countries do, from our own point of view.

One of the more controversial statements in the general paper is on role and influence:

"It is a risky business to postulate or predict any specific role for Canada in a rapidly evolving world situation. It is even riskier - certainly misleading - to base foreign policy on an assumption that Canada can be cast as the 'helpful fixer' in international affairs.

"There is no natural, immutable or permanent role for Canada in today's world, no constant weight of influence. Roles and influence may result from pursuing certain policy objectives - and these 'spin-offs' can be of solid value to international relations - but they should not be made the aims of policy. To be liked and to be regarded as good fellows are not ends in themselves; they are a reflection of but not a substitute for policy."

This part of the paper has been commonly misquoted and taken to mean that Canada is trying to dodge international responsibility and to repudiate the invaluable work it has done in the mediation of disputes and in peacekeeping operations - in which we are still involved in Cyprus, the Middle East and Kashmir. Nothing could be further from the truth. Canada is as ready as ever to act as mediator or to provide peacekeeping forces when called upon to do so, but there must be some real hope that the operation will be effective.

The review has brought home to us many things we already knew but to which we had not given due weight. As people get older they tend to look back and identify a golden age they feel has gone for ever. In the late forties and early fifties, Canada, emerging from the war with its economy strengthened when the economies of most countries had been weakened, enjoyed a brief spell of unusual prominence upon the international stage. Since then, friends and former enemies have rebuilt their economies, the Soviet Union has emerged as a super-power, China has come to have the potential to be a world power. All this is true, but what is even more true is that Canada has grown in strength and independence since those days to an extent not generally realized or accepted, at least by some Canadians. Our brief day of prominence in a world devastated by war may be over, but we are coming of age in the world of today, we taking our place and playing our part in the world as it is.

The paper identifies the central problem facing Canada as "how to live in harmony with, but distinct from, the greatest power on earth". This is the subject of a separate discourse on which I shall not embark tonight. We have not issued a paper on this subject, partly because it permeates the six papers we have issued and partly because other studies are in process, dealing with particular aspects of Canada-United States relations such as energy policy, foreign investment and defence. Our relations with the United States will be a continuing cause for debate for as long as we share the continent, and I feel sure that a part of that debate will take place here tonight. I make only one comment at this stage, and that is to say that I believe it would be very much opposed to the interests of Canadians and the independence of Canada to base our foreign policy on anti-Americanism, express or implied....

There are a number of points I should like to make very briefly. First, Canada's relations with the Third World fit into the conceptual framework contained in the general paper, perhaps under all the policy headings, particularly economic growth, social justice and quality of life.

Canada's aid and trade policies toward the developing countries are designed to aid in their economic growth, which is one of our priorities since only economic growth can enable these countries to free their peoples from the bondage of life at or under the subsistence level and enable them to realize their potential and make their contribution to the enrichment of the human community. As we work at home to bring a full measure of social justice to our own indigenous populations, which is another of our priorities, so our aid and trade policies contribute to the spread of a greater measure of social justice in the countries of Africa and Asia. When we turn to the

quality of life, we find that we are the gainers, as more and more of our people are exposed to the ancient civilizations and profound philosophies of the countries of Africa and Asia, as more and more students and immigrants from these countries make their contribution to our national life, our own life and our own society are enriched.

Canada's development program in the past, starting with the Colombo Plan in 1950, has reflected our long-time associations in the Commonwealth. From ex-colonies in Asia and Africa our development program has spread to the former British possessions in the Caribbean. The renaissance of French Canada has extended our aid program to the former French colonies of Africa. As the Government has announced in the foreign policy papers, more of our effort and resources are to be directed toward the Pacific countries and toward Latin America. This will mean stepped-up aid and investment in the Pacific. In Latin America, where we have had a modest development program of a multilateral kind for some years, we are contemplating extended aid to the countries we can best help.

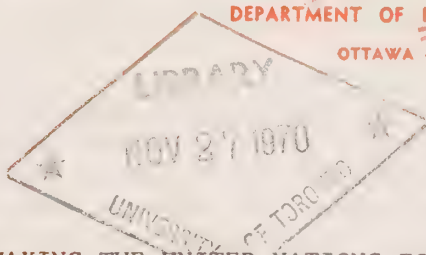
In all our relations with the countries of the Third World, development assistance is the largest single element. This is as it should be; Canada has no political ambitions in the Third World, save to contribute what we can to strengthen their economies, to help them bring an increasing measure of social justice to their peoples and to share with them man's great task - to enhance the quality of life on earth.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/13

MAKING THE UNITED NATIONS EQUAL TO ITS TASKS

The opening statement on October 14, 1970, in the Debate at the Commemorative Session Marking the Twenty-Fifth Anniversary of the United Nations by the Secretary of State for External Affairs, the Honourable Mitchell Sharp.

...Throughout the world there is deep dissatisfaction, rooted, I believe, in a profound uneasiness that has seized peoples everywhere -- uneasiness about a world wracked by bloody conflict, uneasiness about economic prospects, uneasiness about the quality and meaning of human life, uneasiness about the health of the air we breathe, the water we drink, the soil that gives us sustenance.

The dissatisfaction of which I speak is not limited to any group of nations. It transcends the clash of ideologies, respects no barriers between East and West, between North and South. It is felt in developing countries, in countries that are technologically advanced, by nations represented here and by those as yet without representation.

Dissatisfaction is most clearly to be seen among the young, the oppressed, the alienated and the poor. Yet it is to be found increasingly among people in the prime of life, people who enjoy material success. It affects the leaders as well as the led.

We are facing a broad crisis of confidence between people and the institutions they have created. Governments, judicial systems, places of learning, organized religion -- all the great constants of civilized life are being questioned. And the way they are responding seems often to add to the dissatisfaction. The relevance of institutions, their competence, their usefulness, their very purpose, have been brought into doubt.

In this place, at this time, it is dissatisfaction with the United Nations that we must consider. It does not stop at the threshold of this chamber. It is felt, I am sure, in every delegation seated here today. As we look out at the world, we see little cause for comfort, less reason for congratulation and no justification for complacency.

And yet much has been achieved. In the dark days of the Second World War, while fighting for their lives, the leaders of nations created a conception

of a world organization and a world order that would bring peace and security, prosperity and dignity to mankind.

The founding nations at San Francisco in 1945 made a leap of the imagination unique in man's history. In the midst of chaos and misery, they determined that order must prevail, they turned their backs upon darkness and death and struck out towards a future of light and of life. The Charter was a remarkable achievement. It still is.

Within a few years the world found itself divided by what we called the Cold War. This was the first great test for the United Nations. And it survived. In the days of the Cold War the great United Nations family of agencies came into being and embarked upon the supreme task of bettering the conditions of life upon earth, a task they still pursue with energy and dedication.

Even in the most anxious days of the Cold War the nations came together here. If there was little meeting of minds, at least there was contact. If we failed to decide issues, at least we debated them. Out of confrontation came communication.

And we did certain things:

- Local conflicts, which could have escalated into world war, were contained.
- Co-operative financial and trading arrangements, basic to world prosperity now and in the future, were negotiated.
- Arms-control measures, the subject of mounting world concern, were given effect in a series of United Nations treaties.
- As new nations came on the scene, the need for international development assistance was recognized and acted upon.
- Colonialism, identified as incompatible with human dignity, was hastened toward its end, frequently with United Nations assistance.
- The elimination of racial discrimination, clearly recognized as intolerable, became a primary objective.

These are some of the major accomplishments -- tangible, constructive and plainly visible. What about the subtler forms of United Nations achievement? Within these walls we have engaged, as nations, in an ever more sophisticated exchange of views, in ever more fruitful negotiations of issues. Nations met here, as we are meeting today, in a continuing conference. The whole conception of diplomacy went through a profound change. From narrow, formalized negotiations carried on by an élite bureaucracy, we moved to a broad interchange of ideas involving whole nations and their leaders. The right of small nations to be heard even as great powers negotiated has been enshrined in this organization.

Why, then, the dissatisfaction, the sense of shortcoming, the uneasiness about the United Nations? I am suggesting four major factors, the root causes. There are undoubtedly others.

Perhaps the first is to be found in the disparity between the high hopes of 1945 and the slow progress made during the past quarter-century. We had a right to high hopes in 1945 because so much seemed possible then.

In the recorded history of man there have been many years of great moment but few, surely, of such significance as 1945. Has there been any other year in which was manifest such widespread relief and determination for a better future? Has there been any other year in which occurred events of such vivid horror, such appalling evidence of man's capacity to produce his own catastrophe? Could any other year claim all the elements of a present hell and all the ingredients for a future heaven? In 1945 man attained a kind of maturity. Not since he first fashioned rough stone tools had man possessed the knowledge and the ability to answer virtually all his needs. Not since he first associated with others in local tribes had mankind conceived the institutional structures to conduct his affairs effectively and peacefully. Not since man first struck down his brother in rage had he been able to destroy not just his neighbour or his enemy but the whole human race.

For centuries, these human capacities had been the subject of dreams or nightmares by scientists and inventors, by poets and philosophers, by warriors and madmen. But none were within the grasp of man before 1945. Then, in a few blinding weeks of inspiration, revelation and terror, man held them in his hands.

This week we have an opportunity to reflect on our use or our misuse of that knowledge and ability in the years since the Charter was signed. In doing so we shall be well advised to avoid putting too much blame either on the United Nations as an organization or on its Charter. The Charter is a remarkable political attainment. The Charter introduced into the world a minimum standard of conduct, a floor through which no state was to descend. The Charter was never intended as a ceiling on the good citizenship of nations. The failure of the United Nations so far to fulfil the promise of 1945 is no excuse for states not to live up to the spirit as well as the letter of the Charter.

For it is member states that are charged with the obligations of the Charter. It is member states that retain the primary responsibility for action or inaction by this organization. And that responsibility is not diminished simply because the United Nations is not yet as effective as the San Francisco Conference hoped it would be.

All member nations share some of the blame for this organization's weaknesses, just as we can all take part of the credit for its strengths.

A few moments ago, I spoke about the coincidences in 1945 of political achievement and scientific advance. Surely the great paradox of that time was that the founding nations failed to realize that the nuclear age had begun. This seems all the more incomprehensible today when we realize that the Charter and the bomb were being put together at the same time.

Science in the past quarter-century has so far outstripped politics that all our political institutions, above all the United Nations, have seemed less and less relevant. How else can we now look upon disarmament discussions in the fifties, for example, when bigger and bigger bombs were bursting in the atmosphere and threatening us with radiation hazard? While we struggled with age-old earthly ills -- hunger, disease, illiteracy -- science shot Sputnik into

orbit in 1957 and a dozen years later sent men to the moon and back. How could we hope to deal effectively with the gap between rich and poor nations when science was clearly running away from us all?

If governments exhibit in the next 25 years the same indifference they have shown in the past, science will either destroy man or enslave him. It is sheer fantasy that science, inevitably, is in man's service. Today's man's ability to continue to control his own destiny is far less certain than it appeared in 1945.

Without suggesting for a moment that we should seek to stifle the scientific mind, I believe we must find ways of putting science and technology to work for the good of man for the improvement, not the impairment, of the human condition.

We do this within our national boundaries by re-examining existing arrangements or by devising new means, whichever way provides the most effective results. We must, with the same foresight and vigour, do so in the international sphere to check the bad effects of the relentless pursuit of science, to direct its powerful force for good into co-operative action for the benefit of us all.

The United Nations is not unaware of this need. It has begun to act in fields such as communications, transportation, outer space, the environment and the peaceful uses of the seabed.

A third big factor that feeds dissatisfaction is that the United Nations has often appeared to be rudely bypassed, or shamelessly to stand aside, while major world events were unfolding, while grave crises were erupting, particularly in the field of peace and security. Berlin, Vietnam, Czechoslovakia leap to the mind, but they are only the most obvious examples. Other critics have found it incredible that this organization can claim any standing in today's world when it has excluded for decades representatives of nations forming very substantial segments of the world's population.

Finally, I suggest that some of the aims, interests and values which in 1945 had very great appeal and support in this organization are no longer the ones that dominate here, or those that motivate nations and individuals now.

The preoccupations of the United Nations, once those of a membership predominantly white and of European origin, have shifted radically and rapidly with the organization's changing racial and regional composition. Yesterday we celebrated the tenth anniversary of the United Nations Declaration on the Granting of Independence to Colonial Countries and People. This year marks the beginning of the Second Development Decade. Our attention has been shifting too -- perhaps not quickly enough -- to meet new demands and expectations in a rapidly-evolving world situation. All these changes are bound to be unsettling.

We have to adjust to them, as an organization, as individual member states, as nations. We may not have developed fully the reflexes of mind and mechanism needed for quick change. That we are learning I have no doubt, but whether fast enough one cannot be so sure. I ask you: How much time do we have?

I have sought to launch our discussion on a course that is positive and constructive, away from the temptations of self-congratulation, mutual recrimination and, above all, of apathetic indifference.

If we who are the members of this United Nations have the will to do so, we can accomplish anything we wish -- our Charter aims, the conservation of that fragile balance of nature on which we all depend for survival, the aspirations of people everywhere for a quality of life that is fit for human beings. Nor for cold computerized robots, or the lifeless masses of Orwell's 1984 but for warm and vital human beings -- the people for whom the Charter speaks.

Wherever we come from, whatever our constitutional forms, whatever credentials we hold, we are all here representing people. It is they who are the ultimate beneficiaries of what the United Nations does and the victims of what it leaves undone.

Our peoples now all know this, all round the globe. They can, via satellite and the other marvels of instant communication, watch us now, all the time. They will know if we fail them, why and how.

For people everywhere know today what they expect of us, even if they cannot always articulate their views or formulate their ideas. They want to have done with wars and weapons, to have done with social discriminations and economic disparities, to reduce hate and hypocrisy, pomp and pretence in human relations.

Acting in concert, we can, I believe, accomplish whatever we set out to do, provided our will to succeed is sustained and strong. We can find ways to reduce the tensions which threaten to erupt into world conflagration. We can find some equilibrium so that expanding populations will get an equitable share of the world's resources. We can reduce armaments in a manner which does not threaten the security of any country. We can deal with disparities which set the poor nations at odds with the rich. We can remove or reduce the ugly threats to our human environment.

These problems spill over national and regional frontiers, with no hope of effective unilateral control. Even if concerted action should evade our grasp for the moment, for reasons which are not entirely within our control, we cannot and should not seek to evade our responsibility either as individual members or groups of members. Our Charter obligations remain intact and nothing prevents us from discharging them unilaterally.

Individual nations can refrain from using force and violence in international relations. They are not compelled to devote ability and resources to produce nuclear weapons and others equally capable of mass destruction.

It is possible for them to allocate increasing amounts of resources to economic development and social progress, to environmental-control measures, to improving the quality of life. Individually, we can act within national boundaries to ensure that the dignity of man is assured.

If every nation represented here today does its utmost to put and keep its own house in order and to bring about friendly relations with other states, part of the great task of the United Nations will have been accomplished. If, as member nations, we come her in the knowledge that everything we can do within our own jurisdictions has been done -- and I do not suggest that any nation here today can make that claim --, we shall find fewer problems to face -- and those that remain less difficult.

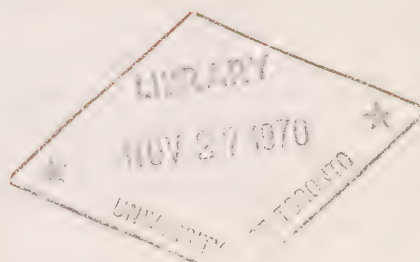
I speak today for Canada and I pledge Canada to full support of the United Nations in the years to come. We cannot, together or separately, solve all mankind's problems at once. Dissatisfaction and unease will remain part of the common human experience. If we have the will, the courage and the patience, we can make greater progress in the next quarter-century than in the last, so that the youth of our time, and of times to come, may receive from us a United Nations equal to its tasks and a world in which they, in their time, can build upon the foundation we have laid.

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



Nº 70/14

COMMON PURPOSE AND COMMON ACTION

The Canadian Statement in the General Debate of the United Nations General Assembly by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, New York, September 24, 1970.

...Only a few short weeks ago, Mr. President, the ceasefire in the Middle East and the proposals for negotiations to settle the conflict there gave cause for some cautious optimism. Today we are faced with a deadly serious situation in the Kingdom of Jordan, a situation which has already manifested itself in new violence and bloodshed. The struggle between forces within Jordan threatens to involve neighbouring countries, and there is a constant risk of widening conflict involving more distant powers. In the course of these events, we have seen new dimensions added to what is already a growing threat to world order. I refer to acts of air piracy. In the Middle East a significant new dimension is the holding of innocent people hostage for ransom for political and other purposes, one of these being to disrupt the already difficult circumstances surrounding the ceasefire.

No government in the world today can fail to be concerned about the far-reaching implications of this kind of international lawlessness. It is my strong conviction that legal and technical arrangements such as those being discussed in ICAO, necessary as they are, cannot produce the whole solution. Air hijacking must come to be regarded as abhorrent, never to be condoned or justified regardless of the motives of the hijackers.

Even without these new complications, the peace talks in the Middle East are stalled because of substantial charges and countercharges of ceasefire violations. The parties and the sponsoring powers that brought about the ceasefire must be aware of the dangers implicit in this situation of deadlock and deterioration.

The United Nations is on trial in the face of an obvious threat to the peace in the Middle East. This means that all of us, the member nations, are on trial. If we are to meet this challenge, we must stand behind the efforts Ambassador Gunnar Jarring and others are making to bring peace to that troubled area.

If the Middle East conflict, with all its new dimensions, were the only threat facing the world, this would be sufficient to occupy fully the energies, imagination and resources of the world community. In other parts of the world there are formidable obstacles to peace and security. We have found no answers to the continuing race conflict in Southern Africa. It continues to smoulder more and more dangerously and, if nothing is done, might end in a conflagration engulfing the southern half of the continent. In Indochina, war burns with varying degrees of intensity while the talks in Paris show little sign of coming to grips with the real issues. Europe remains divided, but there have been some encouraging developments. We can be thankful that deteriorating situations in other parts of the world have not been used to impede the movement toward the relaxation of tension between the super-powers. SALT talks continue, rapprochement between West Germany and the Soviet Union has taken place. Similar improvements are foreshadowed.

While international conflicts, and especially violence, of necessity occupy the attention of many member governments, they must not be allowed to overshadow equally important developments of concern to the entire world community. Developing nations see a crisis in the international development program. Canada shares their concern and is making an increasing contribution. Environmental issues are looming larger each day. The United Nations is responding. Canada has made available the services of a distinguished public servant, Mr. Maurice Strong, to be Secretary-General of the 1972 conference. All around the globe nations are in a state of uncertainty about the economic outlook.

World prosperity and world security are indivisible and depend on the strength of the world economy. Over the years, the United Nations has set up -- partly in anticipation of needs, partly in response to demands -- a large and impressive family of intergovernmental bodies and other international instruments for strengthening co-operation in important fields such as finance, trade, economic and social activity. Their contributions to better world conditions rank high on the record of the United Nations achievement. The continuing need is to keep them effective.

In my speech on behalf of Canada last year, I drew attention to the need for renewal of the United Nations. Events in the past 12 months have brought a new sense of urgency to this need. Procedural improvements can help, and I shall have something to say about this in a few moments. They cannot, in themselves, meet the need.

In its work for mankind, the UN today is facing new threats, new constraints and new obstacles. The very assumptions upon which the organization operates must be re-examined if the aims of the Charter are to be advanced. This advance will depend on the readiness of members to exploit opportunities, to bring new attitudes to bear and to set practical objectives for the organization.

The Canadian delegation believes that in this year of anniversary we should seek practical ways of improving the United Nations' capacity for converting common purpose into common action. It is ever more difficult for the Assembly to cope with the number and complexity of international programs and projects that it has set in motion. Important work is often postponed or left incomplete. This compounds organizational and administrative problems and imposes additional expenses, burdens and obligations.

This is the time, Mr. President, to follow up the improvements in the Second Committee last year and, rather than proceeding piecemeal, to take a comprehensive look at the General Assembly's procedures and organization. This is neither an original nor a new idea, but at this quarter-century mark in the United Nations history we in this Assembly face again the task of self-improvement.

It was this belief that led my Government, with the support of 12 countries, to request the inscription on the agenda of an item for consideration by the Assembly entitled "Rationalization of Procedures and Organization of the United Nations General Assembly". This proposal, which will have a number of additional co-sponsors from various regions, envisages the establishment of a committee with equitable representation from all groups.

The committee would report its findings and recommendations to the General Assembly at its next session, thus allowing the committee time to give thorough study to the problems before it. My delegation has in mind that any reforms, to be effective, must attract the widest possible support and be based on a consensus to be endorsed by the Assembly, perhaps at the next session.

In terms of the material and operations to be studied, the committee's mandate should be wide. This study would take into account the nature of the Assembly's work, its priorities and organization, and the effectiveness of its machinery. At the same time, the committee's mandate should be narrow, in that it would restrict its recommendations to the procedure and organization of the Assembly as envisaged within the limits of the existing Charter.

Our proposal is a modest one, but I believe that even limited changes could have a very beneficial effect on our working methods and on the results achieved. Areas to be studied would obviously include documentation, rules of procedure and related questions. The proposed committee would also study the ways in which items are allocated to the main committees of the Assembly. Recommendations would take into account the need to ensure that all important political items are properly placed and adequately considered in future assemblies.

Mr. President, the effectiveness of the General Assembly and the United Nations will always depend upon the will and determination of the member states. Changes in procedure and organization cannot of themselves improve the quality of the General Assembly's performance. They can enable the will of the Assembly to be translated more swiftly, accurately and effectively into action. We should not underrate such improvements. The Canadian delegation does not.

There is no need to call in question the basic structure of the organization. But the fact that we do not wish to rebuild the house does not mean that we should delay essential repairs to the plumbing and wiring. For this reason, I call on the member nations to give urgent and continuing attention to the essential detailed work that is required, without losing sight of the fundamental need for all of us to re-examine our own attitudes to our responsibilities within the Charter.

The relevance and the competence of the United Nations are being called into question all over the world. The world community needs the United Nations. It needs a United Nations that has renewed itself, that has transformed

itself from an arena in which governments jostle for transient political advantage into a place of action where issues are faced, solutions are found and problems resolved. Such a United Nations would do more than serve the ambitions of member governments, it would begin to meet the needs of the peoples of the world in whose name the Charter was proclaimed. Canada's faith in the United Nations ideal is unimpaired, and Canada will continue to work with others to strengthen and renew this great body upon which so many of man's hopes are fixed.

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CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/15

CANADA REVIEWS ITS FOREIGN POLICY

A Statement by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Standing Committee of the House of Commons on External Affairs and National Defence, October 27, 1970.

The foreign policy papers record decisions made by the Government and give notice of action it intends to take. To this extent they state Government policy. To a much greater extent the papers, and particularly the general paper, present the Government's views -- about Canada's place in the world, about national aims and interests and about how these can best be fostered....

In the sixties the world situation had evolved rapidly and Canada itself was passing through a period of profound change. Policies which served Canada well in the past required review. A growing body of Canadian opinion was questioning Canada's position on specific foreign policy issues. The Government was concerned about the focus of the criticism being expressed, with its concentration on issues primarily involving other powers and their policies and interests, and its preoccupation with Canada's role than with the furtherance of national aims and interests. The Government embarked upon the review with these concerns in mind, but above all with a determination to ensure that Canada's foreign policy would continue to meet Canadian needs in a changing world. Canadians needed to know that the things we were doing abroad were worth the good people and good money that we were putting into them.

The review involved identifying and testing the assumptions on which Canadian foreign policy has been based. One assumption, however, had to be accepted -- that for most Canadians their political well-being could only be assured if Canada continued in being as an independent, democratic and sovereign state. Unless Canada is independent and sovereign, we can have no foreign policy. Unless Canada is democratic, there is no point in public discussion.

Foreign policy for Canada, as for all other nations, is not made in a vacuum; the world does not stand still while Canada shapes and sets in motion its foreign policy. Canada's policy objectives may complement or compete with those of other nations. The aims and interests of other nations impinge upon Canada's freedom of action in the international sphere. We live in a world

of dynamic change. Events thousands of miles away or next door can alter international relations. Domestic developments can affect external relations. Forecasting is perhaps more difficult in this field than in any other. To quote the report:

"The problem is to produce a clear, complete picture from circumstances which are dynamic and ever-changing. It must be held in focus long enough to judge what is really essential to the issue under consideration, to enable the Government to act on it decisively and effectively. That picture gets its shape from information gathered from a variety of sources -- public or official -- and sifted and analyzed systematically. The correct focus can only be achieved if all the elements of a particular policy question can be looked at in a conceptual framework which represents the main lines of national policy at home and abroad."

The framework could be constructed in a number of different ways, but it must have at its core the basic national aims. These aims will necessarily be pursued in both a domestic and an international context which, however distinct, are closely related. These environmental factors present themselves as a kaleidoscope of challenges, threats, opportunities and constraints. And it is a kaleidoscope. No one could have foreseen the untimely death of President Nasser; no one can yet say what the effects will be. A change of leadership in the Soviet Union could profoundly alter the international climate.

However described, the national aims embrace three essential ideas:

- (1) That Canada will continue secure as an independent political entity;
- (2) that Canada and all Canadians will enjoy enlarging prosperity in the widest possible sense;
- (3) that all Canadians will see in the life they have and in the contribution they make to humanity something worthwhile preserving in identity and purpose.

These ideas encompass the main preoccupation of Canada and Canadians, today or at any other time. Foremost among these are national unity, personal freedom, national identity, economic and social progress and humanitarian aspirations.

The supporting framework for this core is made up of the means whereby these aims can be achieved. The Government has presented these as themes of national policy. They are:

Economic Growth

Sovereignty and Independence

Peace and Security

Social Justice

Quality of Life

Harmonious Natural Environment.

There has been a tendency on the part of some observers at home and abroad to identify these themes as national objectives and to lose sight of the fact that they are the means of achieving national aims. Economic growth, for example, is not an end in itself, but it is fundamental to achievement of the national aims -- unity, independence, prosperity, distinct identity.

Other observers have suggested that these themes amount to an arbitrary segmentation of policy. They see a framework that permits little flexibility. The divisions may be arbitrary but the policy themes do overlap. There is overlapping between "Peace and Security" and "Sovereignty and Independence". The three themes "Social Justice", "Quality of Life" and "Harmonious Natural Environment" obviously overlap.

The framework I am discussing does not exist for its own sake; it is an instrument for thinking about policy and shaping it. There is no particular magic to the number six or to the terminology used. However defined, the themes cover the whole field of policy, domestic and foreign; one is an extension of the other. The difficulty with a listing of any kind, particularly in a printed document, is that people see an expression of priority in the order of presentation. No such priority is intended and it would make no sense. All these themes are essential ingredients of national policy and all engage the Government's attention at all times.

They apply both to domestic policy and to foreign policy. For a great trading country like Canada, economic growth cannot be fostered at home without working to improve the health of the world economy. Safeguarding sovereignty and independence requires international recognition as well as domestic action. Peace and security are world-wide problems. Social justice cannot be compartmentalized; one cannot oppose discrimination abroad and practise it at home. The quality of life is enhanced by contacts with other peoples. Canadians, with their vast coastline and long frontier with the United States, are aware that pollution of the environment knows no political boundaries.

These six policy themes gave us the framework. To use it effectively and to give a sense of direction to our future policy we had to decide upon some pattern of emphasis among them.

Any pattern of emphasis is open to misinterpretation and to deliberate distortion and to the exigencies of changing circumstances.

Looking at the world today, Canada's current needs and the resources we have available, the Government decided that more emphasis than in the past should be placed upon "Economic Growth", "Social Justice" and "Quality of Life". This does not and cannot suggest that the Government is any less concerned with other policy themes, above all, "Peace and Security".

On the other hand, the survival of Canada as a nation is being challenged internally by divisive forces. This underlines further the need

for new emphasis on policies, domestic and external, that promote economic growth, social justice and an enhanced quality of life for all Canadians.

I think it is true to say that Canada exports more per head of population than any other country -- certainly we are well in the forefront. Fostering economic growth for Canada means working for the good health of the international trading community -- our own economic well-being and that of all countries depends upon a buoyant world market.

The existence of two super-powers makes the ranking of nations as great powers, middle powers and small powers irrelevant. Canada makes no pretensions to "power" in the absolute sense but it does intend to have an effective voice in world affairs. To act constructively in the community of nations one must have a power-base of some kind. In this limited sense, Canada must be seen as an economic rather than a military power. Emphasis on economic growth enhances Canada's capacity to play its full part in the councils of the nations.

I have dealt with economic growth at some length since the emphasis upon it has been widely misunderstood. What is often forgotten is that the Government places within the same pattern of emphasis the themes "Social Justice", within which fall the great problems of the developing world, relics of colonialism, racial discrimination and the need for development assistance, and "Quality of Life", which is concerned as much with problems in the developing world as with problems in Canada and necessarily overlaps the theme "Harmonious Natural Environment".

The policy themes can and do come into conflict and require the Government to make hard choices. An obvious and timely example is the possible conflict between "Economic Growth" and "Harmonious Natural Environment". I do not need to labour this. The spread of industry brings jobs and wealth. It also can pollute the air, the ground and the water. Canada and every other technologically-advanced nation is facing hard choices in this area today. So, as their economies grow, are the developing countries. I hope we are ready to face the challenge and make the hard decisions.

One of the more controversial statements in the general paper is on role and influence:

"It is a risky business to postulate or predict any specific role for Canada in a rapidly evolving world situation. It is even riskier -- certainly misleading -- to base foreign policy on an assumption that Canada can be cast as the 'helpful fixer' in international affairs.

"There is no natural, immutable or permanent role for Canada in today's world, no constant weight of influence. Roles and influence may result from pursuing certain policy objectives -- and these 'spin-offs' can be of solid value to international relations -- but they should not be made the aims of policy. To be liked and to be regarded as good fellows are not ends in themselves; they are a reflection of but not a substitute for policy."

This part of the paper has been commonly misquoted and taken to mean that Canada is trying to dodge international responsibility and to repudiate the invaluable work it has done in the mediation of disputes and in peace-keeping operations -- in which we are still involved in Cyprus, the Middle East and Kashmir. Nothing could be further from the truth. Canada is ready to act as mediator or to provide peacekeeping forces when called upon to do so, but there must be some real hope that the operation will be effective.

The review has brought home to us many things we already knew but to which we had not given due weight. In the late forties and early fifties, Canada, emerging from the war with its economy strengthened when the economies of most countries had been weakened, enjoyed a brief spell of unusual prominence upon the international stage. Since then, friends and former enemies have rebuilt their economies, the Soviet Union has emerged as a super-power, China has come to have the potential to be a world power. All this is true, but what is even more true is that Canada has grown in strength and independence since those days to an extent not generally realized or accepted, at least by some Canadians. The prominence we enjoyed in a world devastated by war could not last. As a nation stronger and more important than we were then, we are taking our place and playing our part in the world as it is today....

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STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



70/16

CANADA'S TRADE WITH DEVELOPING COUNTRIES

An Address by the Honourable Jean-Luc Pepin,
Minister of Industry, Trade and Commerce,
to the University of Windsor, November 6, 1970.

Two-thirds of mankind lives in countries defined as "developing".

World peace cannot be established on relatively firm ground unless the economies of these countries are strengthened, unless these countries are brought into the normal world trading patterns ... (this is only one condition of peace, but it is an important one). Much of the success of the United Nations is predicated on the need to achieve international co-operation to eliminate the social and economic gaps between the developed and developing countries.

Developed countries have now generally assumed a responsibility in this respect -- for moral, political, or straight economic considerations.

Developing countries not only expect to be admitted in these world trading patterns, they claim it a right to be.

Three main economic instruments are available to bring about this objective: aid, investment and trade.

AID

Developing countries are now receiving some \$7 billion annually in official development assistance from the industrialized countries. Canada has been expanding its total assistance program, which will reach \$380 million this year.

Our own bilateral aid program (exceeding \$280 million this year) of grants, loans and food aid is directed to Colombo Plan countries in Asia, Commonwealth Caribbean, *francophone* Africa, Commonwealth Africa, and Latin America and has involved more than 50 countries at various times.

We are major contributors to such multilateral agencies as the World Bank, the International Development Agency, the UN Development Program and to the regional development banks in Latin America, Asia and the Caribbean as well as to such international organizations as the World Food Program.

A lot of debate amongst ourselves has centered on the value of these programs. They have received criticism but it is not without pride that we make contributions in the field of international development.

INVESTMENT AND TRADE

However important aid can be, investment and trade are more so. Eighty per cent of the foreign-exchange earnings of the developing countries are accountable to international trade.

Mr. Pearson once said:

"There is little logic in encouraging growth in developing countries through aid and other measures while imposing barriers against imports of products they can appropriately produce on a competitive scale."

This is generally accepted. There is a growing awareness and understanding in Canada and in the international community of the degree to which developing countries are dependent upon their export earnings to pay for their imports of capital equipment.

The goal of the international development effort should be to put the developing countries in a position where they can realize their aspirations with regard to economic progress without relying on foreign aid. Trade must provide the missing link in their evolution from poverty to affluence.

The question is how? How can trade and its extension investment, contribute in bridging the development gaps between developed and developing countries?

This is not an easy question to answer. Let us assess some of the difficulties.

The complexity of the development process was underestimated by the classical approach to economic growth as a simple operation of capital injection. This was the pattern followed in Canada. But all the countries which face these tasks now cannot benefit from the same economic base, resource potential or educational levels. Repeatedly, African and Asian leaders have pleaded with advisers from the developed countries to gain a better understanding of the physical and cultural environment of their countries, before suggesting programs for development.

The problem is also oversimplified by the convenient shorthand which consists in classifying countries as "developed" or "developing" countries.

In fact, a wide spectrum in degree of development exists both among and within each group:

- a) Some "developed" countries include those that have not yet achieved balance between the manufacturing, raw-material processing, and primary-resource extraction sectors. In some ways, Canada is one of those. It could be very well said that some regions of Canada are developing.
- b) The group of "developing" countries includes some with essentially agricultural economies of subsistence (e.g. most of Africa and Asia), but there are others outside the market economy close to take-off points of self-sustained growth, with modern industrial sectors and cosmopolitan cities with high standards of living (e.g. most of Latin America)....

Canada and Developing Countries in World Trade

A) Volume

While developing countries' exports have not grown as fast as trade among industrialized countries, their growth rate (6.5 per cent) in the last decade was better than predicted.

World trade in 1969 reached the level of \$272 billion (U.S.). Of this, developing countries accounted for about \$50 billion. (This represents 18 per cent of world trade as opposed to 21 per cent in 1913, 31 per cent in 1948 and 22 per cent in 1960.)

Canada's share of world trade in 1969 was 5 per cent; although this looks modest, it is nevertheless equal to the contribution of the whole of Latin America. It was also more than the share of Africa or Southeast Asia taken separately.

There were projections some years ago that the trade-account deficit (\$1.5 billion) of the developing countries (1960) might rise to more than \$10 billion by 1970. Yet by 1969, the size of this deficit had not grown (\$48.5 billion in exports and \$50 billion in imports). The fear of the gap widening never materialized.

Developed countries take over 75 per cent of the exports of developing countries. Yet in 1969 Canada only took 2 per cent of their total exports. This still represents over \$1 billion, or 8 per cent of total Canadian imports. In 1969, developing countries took about \$900 million, or 7 per cent of total Canadian exports.

So who has been benefiting on the exchanges in recent years?

Since 1966, the balance of trade between Canada and developing countries has been in favour of the developing countries (last year by over \$100 million -- see Appendix).

B) Direction

Canada's trade to developing countries has not changed direction significantly in the last decade. In 1969, as in 1959, Latin America still led in volume with 50 per cent, Southeast Asia with 26 per cent, the Commonwealth Caribbean with 13 per cent, the Middle East with 7 per cent, and Africa with 4 per cent.

C) Composition

Developing countries still obtain over 80 per cent of their foreign-exchange earnings from exports of primary commodities. These include food, raw materials, ores and minerals, and fuels.

For many years ahead, favourable conditions for the international marketing of primary commodities will remain a basic prerequisite of the modernization and industrialization drive of the developing countries.

It is not surprising therefore that Canadian imports from developing countries are largely composed of tropical foodstuffs and raw and semi-processed materials. The remainder is made up of miscellaneous manufactured products, textiles, and chemicals.

The composition of Canada's exports to developing countries is largely made up of foodstuffs (70 per cent) and manufacturers' industrial materials (25 per cent), for which there is continuing demand by developing countries whatever their degree of economic development.

However, as many of the developing countries make significant progress towards industrialization there are now significant sales of capital equipment and technical services.

In the years to come we expect Canada to be particularly well qualified to provide the necessary equipment and expertise in such fields as telecommunications, grain-storage facilities, hydro-electric equipment, port-handling equipment, pulp and paper machinery, specialized aircraft, road and rail equipment, nuclear reactors, airport construction, aerial surveys, consulting engineering services and educational equipment.

Recently, we have sold quantities of hydro-electric turbine equipment to Brazil (\$5.6 million), oil-well production equipment to Saudi Arabia (\$1 million), locomotives to East Africa (\$14 million) and highway-construction equipment to Indonesia (\$28 million).

To appreciate fully Canada's trading position vis-à-vis developing countries it is useful to review the basic elements of the Canadian approach to trade. Since the World War, Canada has adhered to the rules and principles of multilateralism, freer trade, and reciprocity as embodied in the General Agreement on Tariffs and Trade (GATT). This has been reflected in the full support that successive Canadian Governments have extended to six different rounds of GATT trade negotiations, which culminated in the Kennedy Round in 1967.

We have followed this policy because Canadian farms and industries need the widest possible markets of the world in order to take advantage of specialization and economies of scale, in so doing providing better employment in Canada.

Freer international trade also serves the interest of the Canadian consumer in providing him with goods and services of wider variety and at a lower cost.

How does this GATT-oriented policy apply to our trade relations with developing countries?

Since the large majority (70) of developing countries have become members of the GATT-- it is no longer a rich man's club -- Canada exchanges the most-favoured nation (MFN) treatment with them through the GATT. With countries such as Mexico, Colombia and Venezuela, which have not acceded to the GATT, we have bilateral arrangements of non-discrimination.

As for our Commonwealth trading relations (which predates GATT), the GATT obligations have meant a freezing of the margins of tariff preferences exchanged on a contractual basis with countries such as the West Indies at the levels existing in 1948, when the GATT was formed. Multilateral tariff reductions have tended, over the years, to erode the significance of the Commonwealth preferences.

The ground rules of the GATT have also emphasized reciprocity as a major feature of international trade. The significance of this rule for developing countries has, in fact, been considerably diluted over the years, to the point where the GATT obligations tend to be applied unilaterally to the developed members. Indeed, the non-reciprocity principle has been incorporated in 1965 into Chapter IV, added to the GATT to deal with development problems.

A policy of freer international trade as it applies to Canada has completely eliminated tariffs on almost 70 per cent of imports from developing countries.

1. PRIMARY COMMODITIES

How can developing countries market their primary products in the best possible way?

As an important commodity trader, it has been Canada's experience that an expansion of this traditional type of supply is geared to the industrial activities in the industrialized countries. This applies to the exports of industrial materials of developing countries as well.

a) Freer access for industrial materials

- i) Canada has strongly pressed for multilateral free trade in industrial materials and resource-based industries, such as forest products and non-ferrous metals, in both primary and processed form. We continue to support this objective.

- ii) A sound international allocation of these resources would require that access to world markets be freed on a world-wide basis. Such a concerted move would provide the greatest benefits to all concerned, whether developed or developing, exporters or importers.
- iii) Access to the markets of the U.S.A., the EEC, Japan, and Britain is already free for products such as bauxite, tin and iron ore, but not generally so for products like unwrought aluminum, copper, lead and zinc.

Progress has been made and Canada has made significant contributions ... but more must come.

b) Freer access for tropical products

- i) Because of their geographical position, developed countries do not as a general rule grow tropical products. The existence of import duties is not, therefore, intended to protect domestic growers but to maintain a competitive advantage of preferential developing suppliers.
- ii) Tariffs on several tropical products (e.g. coffee, tea, cocoa) were significantly reduced as a result of the Kennedy Round negotiations, but import duties still remain, mainly because of unreadiness of preferential suppliers to share their markets with other competing developing countries.
- iii) Most of Canada's Kennedy Round reductions on tropical products were implemented in one stage on January 1, 1968. This means that Canada provides duty-free access for products such as cocoa beans, cocoa butter, green coffee, coconuts and peanuts.

Canada continues to support freer access for tropical products in the markets of advanced temperate countries by calling for the avoidance of fiscal duties on such commodities by importing countries, which tends to reduce the free flow of goods.

- iv) If all industrialized countries were to move in that direction, existing preferential suppliers (i.e. developing countries of the Commonwealth and those associated with the EEC) would be adequately compensated for the sharing of their preferences through improved access in other markets.

This would be another step forward towards duty-free non-discriminatory trade.

c) International commodity agreements

Canada believes that international commodity arrangements can play an important role in the trade prospects of primary-commodity producers by stabilizing price fluctuations at levels remunerative to efficient producers and fair to consumers. In some cases, commodity arrangements may be necessary to ensure adequate supplies of particular commodities.

Commodity arrangements may also take the form of international agreements involving contractual obligations in which exporters and importers, developed and developing alike, accept reciprocal commitments regarding price levels and supply commitments, as in the case of the wheat and tin agreements.

There are other commodity arrangements involving informal price agreements (e.g. hard and soft fibres), or intergovernmental arrangements consisting merely of regular international consultations on the market situation and outlook (e.g. olive oil, tea).

Canada is a member of all the major international commodity agreements. In so doing Canada fosters the mutuality of interests and benefits in international trading.

- a) In the case of the International Grains Arrangement, Argentina benefits from commercial sales at price levels fixed under the Arrangement. Developing importing countries benefit through the Food Aid Convention, which provides 4.5 million tons of wheat annually. By the way, the experience under the Grains Arrangement points to the difficulties of maintaining prices at agreed levels when there is a substantial surplus.
- b) In the International Sugar Agreement, several developing countries are exporting members who benefit from a higher and more stable price for raw sugar (e.g. the West Indies, Mauritius, Cuba), while importing members like Canada benefit from supply commitments and quota increases at specific price levels.
- c) In the International Coffee Agreement, all exporting members are developing countries and, in some cases (Brazil, Colombia) a large percentage of their export earnings come from sales of coffee at higher and more stable prices. The Agreement contains a diversification fund for inefficient coffee producers, which is raised through a premium of exports above agreed annual export quotas. There is also a device for controlling production.
- d) The International Tin Agreement, through a buffer stock mechanism, greatly assists its developing exporting members (e.g. Malaysia and Bolivia).
- e) Canada has also actively participated in efforts to negotiate an International Cocoa Agreement, which would be of particular benefit to Ghana and Nigeria. It is interesting to note that since cocoa prices have risen and stabilized at higher price levels, developing countries are not as anxious to obtain an early agreement. In addition, the developing producing countries cannot agree on which countries should be entitled to export quotas under any agreement or how the quotas should be divided amongst them.

Canada is also a member of various international study groups on a wide range of primary commodities of interest to developing countries (e.g. rubber, lead and zinc, vegetable oils). There have been suggestions for more commodity agreements (e.g. iron ore, oilseeds, oil and fats).

Obviously the system is a good "gimmick". The technique offers great possibilities. But it is not a panacea. Each case must be studied on its own merit, taking into account the particular characteristics of the commodity involved. In some cases (e.g. oilseeds), the difficulty could lead to the use of substitutes, in others (e.g. rubber), it is the risk of encouraging the development of synthetics which would limit the volume of the natural products traded internationally. In still other cases, where world trade in a commodity is growing very rapidly (e.g. iron ore), a formal agreement might stimulate vast surpluses, encourage inefficient production, or discourage new investment ventures, depending on the price level fixed.

Needless to say, in assessing the need for such agreements, Canada must take into account its own industrial development interests, its competitiveness by international standards, and the conditions of trade in the world market. I think I've demonstrated that our conduct has to take into account the interests of the developing countries.

2. MANUFACTURED PRODUCTS

Developing countries cannot be left to primary exports. They are also entitled to industrialize.

Because of the limited size of domestic markets in most developing countries and because of the relatively weak purchasing power even in countries such as Brazil, industrialization cannot proceed on the appropriate scale and with the necessary specialization unless the countries can sell their manufactures in world markets.

Developing countries also have to find new market opportunities in industrialized countries in order to obtain foreign-exchange earnings to pay for their growing requirements of industrial equipment and capital goods from abroad.

If this could be brought together it would accentuate the trade flows.

A) Regional blocs

What are the techniques available to increase trade flows? The formation of regional markets is a technique often used to achieve the benefits of rationalization and large production scale.

Canada has taken a generally positive position towards the formation of customs unions or free-trade areas among developing countries (e.g. Latin American Free Trade Area, Central American Common Market, Caribbean Free Trade Area). We have been anxious to ensure, however, that these regional trade groupings remain outward-looking and are not used simply to extend national import substitution policies on a regional or a non-competitive basis.

Canada is not attracted by the formation of special regional trading arrangements encompassing developed and developing countries of the northern and southern hemispheres. For example, we are concerned about the proliferation of special preferential trade deals negotiated by the EEC with a large number

of African and Mediterranean countries. There are serious risks that the eventual accession of Britain to the EEC will lead to similar discriminatory arrangements with many Commonwealth developing countries. Trade discrimination along hemispheric lines would lead to a polarization of the world into economic blocs with their economic spheres of influence. This kind of arrangement, which could result in old-time protectionism within wider borders, will inevitably generate resentment and political confrontation between trading blocs. Developing countries should be aware of these dangers to international trade and consequently to themselves.

B) Freer access through MFN liberalization

It is Canada's conviction that it would be in the long-term interest of the smaller trading nations, both developed and developing alike, to open up new markets for industrial products of developing countries on the basis of equal opportunity for all. The erosion of basic trading rules through discriminatory arrangements could only benefit the strong rather than the weak.

We are concerned about current protectionist pressures in the U.S.A., since it takes about one-fifth of developing country exports. A shift toward more protectionism would have substantial negative effects on the economies of the Third World and would lead to pressure on countries like Canada to take more or to go the same way (pressure is twofold).

Another major source of great concern arises from the negotiations for EEC enlargement. Unless such a powerful trading bloc in Europe adopts an outward-looking attitude, particularly with respect to its Common Agricultural Policy, it could have substantial adverse effects on the interest of third-country suppliers of agricultural products, developed and developing alike.

C) Tariff preferences

Trading conditions should be further substantially improved as a result of the institution of a temporary and non-reciprocal "generalized preference scheme" of tariff preferences for manufactured and semi-manufactured goods of developing countries in the markets of all Western industrialized countries. As we see it, such a scheme should facilitate an expansion of trade and not create an obstacle to further trade liberalization on a multilateral basis, and this is being done by being temporary.

The offer of tariff preferences which Canada recently submitted to UNCTAD should provide maximum trading advantages to developing countries consistent with the objectives of Canadian industrial policy.

Under this offer, Canada is prepared to extend tariff reductions equivalent to the lower of either the British preferences or one-third off the MFN rates for manufactures and semi-manufactures except for a limited list of sensitive low-cost products. Tariff reductions of varying magnitude are also offered on a selected list (45 tariff items) of agricultural products of special interest to developing countries.

The importance of this offer has to be seen in perspective, since almost 70 per cent of developing-countries exports to Canada are already duty-free. The offer will further substantially improve this situation by adding more than 300 tariff items on the duty-free list and by extending more than 50 percent tariff reductions on about 100 more items.

This preference offer does not impose any quantitative limits on preferential imports. We have put it as a first step toward liberalizing tariff treatment for developing countries. Further reductions will be considered in the light of experience.

The extension of the British preferential rates -- except in a few cases of particular interest to the West Indies, e.g. bananas, rum, citrus fruit -- to all developing countries entitled to MFN treatment in Canada is an additional step forward in line with our general trade policy of non-discrimination.

How does Canada's tariff-preference offer compare with that of other countries? Let's have a look at some of the main features of other offers.

The U.S.A. has offered duty-free treatment but has excluded most textiles, footwear, and petroleum products. Our approach is much more selective and is based on the injury conception. It is still possible that preferential treatment will be denied in the U.S.A. to developing countries extending preferential access to countries of the Commonwealth or the EEC unless these are gradually phased out.

The EEC has also offered duty-free treatment but has put quantitative ceilings on the volume of preferential imports. Japan has adopted a similar approach.

Canada has no quantitative ceiling. So we think we have a good liberal offer.

D) Non-tariff barriers

In a world where tariffs have gradually come down, non-tariff barriers (e.g. export subsidies, government purchasing, standards, valuation procedures, quantitative restrictions) have become relatively more important. The GATT work program designed to identify these problems and to prepare the way for their future multilateral negotiations could also bring substantial direct benefits to the developing countries. We have been actively campaigning for rapid progress in this area.

E) Freeing of trade by sectors of industry

In the GATT, Canada has also proposed that further trade liberalization on a multilateral basis be explored through sectoral negotiations. This approach for freeing trade with respect to tariffs and non-tariff barriers, and covering both primary, semi-processed and manufactured forms of production within the same sector, is particularly appropriate at a time when developing countries are endeavouring to export more of their primary industrial materials

in processed forms. As resource industries are characterized by high levels of capital investment, advanced technology, large-scale production and often by multinational corporations, the sector approach would also allow developing countries to deal with problems arising from corporate and governmental policies affecting trade in these fields.

F) Low-cost imports

Action on tariffs does not necessarily answer problems of market disruption caused by low-cost imports, in certain sectors in which developing countries have already significant competitive advantages such as textiles.

The situation with regard to international trade in textiles is very difficult because of the restrictions maintained by a number of importing countries -- and we all know the pressures in the U.S.A. for more restrictive measures. In these circumstances, the relatively open Canadian market is rather inviting for suppliers who are constantly seeking out alternative markets.

This highly restrictive world environment has had a double impact on the Canadian industry. Firstly, the restrictions by other industrialized countries have led to increased pressures from "low-cost" competition on the relatively open Canadian market. Per capita, overall penetration by "low-cost" textile products is more than double the level reached in the U.S.A., and many times more than the degree of penetration in the countries of the EEC. Canada can hardly be accused of not having done its share to accommodate "low-cost" suppliers. Secondly, the tariffs of other countries have severely limited the access for Canadian textile and clothing exports, thus limiting the attainment of full competitive potential for the Canadian industry.

It is for this reason that some established Canadian sectors of the textile industry are particularly vulnerable and are being seriously damaged. Plants are often located in slow-growth areas, where Canada too has problems of industrial development.

In the recently-announced textile policy, I indicated that Canada is prepared, indeed anxious, in step with others, to move toward a more liberal international trade regime in textiles. In the meantime, however, Canada could not be expected to leave its established industry unreasonably exposed. In the current period, therefore, while Canada has not sought comprehensive limitations on textile exports to Canada, we have found it necessary to seek protective arrangements on a relatively narrow range of specific items.

We look forward to the transformation and restructuring of some of Canada's traditional industries into international viable industries, but this could only take place gradually. We've got to have the right mix of trade and industrial policies and we are moving in that direction.

In fields where we have already experienced problems of adjustment caused by low-cost imports, we must press other industrialized countries to do their share so that we can look ahead to a continuation of a progressive liberalization and orderly growth of international trade.

Such a restructuring of developed economies is already taking place as a result of a continuously changing pattern of world trade and swift changes in technology.

For a country like Canada so dependent on world trade, this would mean to specialize deliberately some research and science-based industries where we can.

G) Assistance in export-promotion techniques

Progress in export-promotion techniques and better knowledge of market conditions in both developed and developing regions are also conditions for successful international marketing of products produced in developing countries. Canada sees assistance in export promotion as a good way to ensure that developing countries will not experience new frustrations by losing export opportunities provided by better access to world markets.

Experience gained by the ministerial mission to Latin America in 1968 has confirmed that problems such as the lack of direct shipping lines or of appropriate contacts between businessmen result in loss of trading opportunities.

The assistance provided by the GATT-UNCTAD International Trade Centre and the Inter-American Export Promotion Centre is an effective means to help developing countries to market their products in industrialized countries. In addition to market surveys, the International Trade Centre offers developing countries training programs for their trade experts to familiarize them with modern marketing techniques.

We also extend technical assistance in trade promotion bilaterally. For example, in recognition of the need for Latin American countries to increase their export trade, CIDA recently undertook the financing of a survey of the potential for Mexican and Brazilian products on the Canadian market.

3. THE PRIVATE SECTOR

Better access to industrialized markets could by itself be of limited practical value to developing countries, particularly in non-traditional sectors. Consequently, foreign private investments have an important contribution to play if production facilities are to be set up to take advantage of new export opportunities, particularly for capital-intensive industries.

Canadian business and industry have a growing role to play in the development-assistance program. Canadian experience with small-scale and medium-scale industrial enterprises, and in such sectors as food-processing, wood products and raw-material processing, is often particularly relevant to the requirements of a number of recipient countries at this stage of their development.

Direct investment in developing countries by Canadian business is not negligible. Examples include: electronics plants in Turkey, Greece and the Philippines; mining developments in the Dominican Republic and Brazil; and bauxite-mining and alumina-processing plants in Jamaica and Guyana.

Investment brings with it some of the best managerial talents and know-how, and transfer of technology badly needed in these areas. It also paves the way to new trading connections in a part of the world which, if development efforts succeed, could become the fastest-growing market in the world before the turn of the century.

Foreign investments now make up 45 per cent of the total transfers of financial resources from developed to developing countries (\$5.8 of \$12.8 billion).

The flow of private investment largely depends on the attitude of the developing countries themselves. They must create a "sound" climate-- not only foreign but also domestic private capital.

Under the Export Development Corporation there is now available to Canadian investors an insurance facility against some of the special risks inherent in productive ventures in developing regions (e.g. expropriation, inability to repatriate earnings or capital, revolution). The Corporation encourages local participation in the investment.

This Investment Insurance Program of the EDC is in addition to its more established functions of (1) insuring credit extended in connection with exports from Canada, and (2) making direct long-term loans to foreign buyers of Canadian capital goods in particular. While both activities are designed to improve the access of Canadian goods to world markets, they also help developing countries to acquire needed capital goods. All but \$3 million of the \$395 million of loans outstanding have been made to developing countries. As for export credit insurance, over 40 per cent of this covers exports to developing countries (\$103 million out of \$241 million as of December 1969).

The Canadian International Development Agency has recently introduced a pre-investment incentives program to assist Canadian firms undertaking "starter" studies and feasibility studies of investment possibilities in developing countries. This program should encourage Canadian business and industrial firms to increase their participation in the economic growth of developing countries.

In the event the company decides not to proceed with an investment following examination of the results of the study, CIDA will reimburse the company to 50 per cent of the approved costs of the study on condition that it becomes the property of the Government. In such cases, the study will be made available to other potential investors.

The foreign policy review indicated a number of additional ways in which the Government intends to assist future Canadian investment in developing countries. These include the dissemination in Canada of information about investment opportunities and the negotiation of double-taxation agreements, where appropriate.

Like all foreign investors, however, Canadians must be prepared to accept the host countries' terms with regard to such matters as corporate control and taxation, training of local personnel and their employment in

responsible positions, and local processing of raw materials. There will be a normal tendency on the part of developing countries to accept foreign investment when the need is colossal and to be more selective when this need reduces....

S/A

APPENDIX

Canadian exports to developing countries-- \$ million
(excludes Mainland China)

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Middle East	25.1	27.2	24.9	3.7	28.2	33.4	41.9	29.8	53.2	65.3
Africa (excludes South Africa)	23.5	17.7	29.7	29.3	33.2	37.2	30.7	34.5	40.7	37.1
Southeast Asia	107.4	118.1	194.2	134.3	159.9	150.9	223.1	274.6	254.8	235.8
South America	121.8	145.8	150.0	173.9	180.2	191.9	232.5	233.4	281.6	291.5
Central America	131.4	159.8	152.1	181.2	253.4	238.3	259.8	245.1	257.8	292.3
TOTAL	409.2	468.6	550.9	522.4	654.9	651.7	788.0	817.4	888.1	922.0

Canadian imports from developing countries

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Middle East	107.0	97.9	97.6	116.5	77.2	104.5	110.8	98.8	94.9	117.4
Africa (excludes South Africa)	22.0	36.0	33.7	55.2	68.4	59.3	88.9	87.0	69.6	88.8
Southeast Asia	94.9	94.8	113.8	132.1	130.7	152.4	156.8	181.2	203.1	246.5
South America	276.5	305.6	319.7	350.7	394.3	364.8	319.0	377.5	465.6	466.3
Central America	143.8	142.6	154.2	184.9	186.5	183.2	183.6	204.0	215.9	247.5
TOTAL	694.2	676.9	719.0	839.4	857.1	864.2	859.1	948.5	1049.1	1066.5



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/17

CANADA AND THE ENLARGEMENT OF THE EUROPEAN ECONOMIC COMMUNITY - I

A Statement tabled in the House of Commons
by the Honourable Jean-Luc Pepin, Minister
of Industry, Trade and Commerce on December
1, 1970.

On behalf of the Government and accompanied by officials of the Departments of External Affairs, Finance, Agriculture, and Industry, Trade and Commerce, I visited Geneva, London and Brussels in October to put forward Canadian interests in the current negotiations for enlargement of the European Economic Community.

In Geneva, I had a *tour d'horizon* of current world trade issues with the Director-General of the General Agreement on Tariffs and Trade (GATT). In London, I met with Prime Minister Heath and three of his Cabinet colleagues. I had talks in Brussels with five of the eight members of the EEC Commission, the permanent representatives of the six member states, the British negotiating team, the Ambassadors of the other applicant countries (Ireland, Denmark and Norway) and the Ambassadors of the United States, Australia and New Zealand.

Those with whom I met welcomed our representations -- they clearly wanted to have a better understanding of Canada's point of view.

Main Themes

In my conversations, I highlighted four main themes:

- (1) Our concerns about the negative effects of EEC enlargement on Canada's access to the markets of the United Kingdom and Western Europe and its repercussions on the framework and patterns of world trade.
- (2) Our conviction that in some instances mutuality of interests exists between Canada and Britain and the EEC, offering scope for adjustments.

- (3) Our intention to bring into play at an appropriate stage the contractual rights and obligations, under bilateral arrangements and under the GATT, which would be affected by EEC enlargement.
- (4) Our views as to the importance of developing new initiatives for freeing of trade on a multilateral basis during the period of European negotiations.

Some Effects of Enlargement

In discussing the direct impact EEC enlargement would have on Canadian trade, I drew a statistical picture of the changes in access terms which our exports to Britain would face if that country adopted the EEC Common External Tariff and the Common Agricultural Policy unchanged. Only about 36 per cent of these exports would continue to receive free entry, compared with some 94 per cent at present. The remainder would face tariffs, loss of Commonwealth preferences and reverse preferences in favour of our ECC competitors. Our agricultural exports would be in an even more difficult position as the inward-looking Common Agricultural Policy makes use of levies, subsidies and other special protective devices.

The actual effects on the volume and profitability of Canadian sales would, of course, vary considerably from one item to another. However, it was important to ensure that the parties to the negotiations were fully seized of the fact that almost 70 per cent of our exports to Britain would be adversely affected under the present Common External Tariff and Common Agricultural Policy.

I underlined that Britain is Canada's second-largest export market, accounting for about one-quarter of our overseas sales. It has been purchasing more than \$1 billion of Canadian goods annually in recent years and, in 1970, its purchases will exceed this level by a considerable margin. Our exports to the EEC and other applicant countries are approximately of the same magnitude as our sales to Britain. Some of these would also be adversely affected by EEC enlargement.

As regards the more general implications, we emphasized the danger of a polarization of the world trading community into inward-looking rival blocs. The EEC is already the world's largest trading entity. Enlarged, it would account for more than one-quarter of world trade, that is, not including intra-Community trade -- compared with about 20 per cent for the United States. About 50 of the 91 members of the GATT could be either members of the EEC or countries associated with it.

I urged that the EEC use its influence to facilitate and encourage continued expansion of trade on a world-wide basis and not only within its own grouping of member and associated countries. The world trading community and the EEC itself would have much to gain from such an outward-looking policy. On the other hand, if EEC enlargement mainly has the effect of limiting and diverting trade from third countries, the Community is itself bound to lose over the longer run in terms of consumer and producer costs. Moreover, outside suppliers could not remain indifferent to the loss of important traditional markets for their goods in the EEC and in the countries associated with it.

Enlargement Negotiations and Canada

...Britain has already told the EEC that it is prepared in principle to accept the Common External Tariff and the Common Agricultural Policy.

As regards accommodation for outside interests, the only specific issues Britain has raised in the negotiations relate to access for New Zealand butter and lamb and Commonwealth sugar and to relations between Commonwealth developing countries and the enlarged Community.

Certain arrangements which Britain is seeking in its own interest could help some of our exports. For example, as I have already told the House, nine of the 12 industrial materials for which Britain has requested special arrangements are of interest to Canada. These are aluminum, lead, zinc, newsprint, wood pulp, plywood, phosphorus, ferro-silicon and silicon carbide. Together they account for more than one-fifth of our sales in the British market.

There would also be, in case of enlargement of the EEC, a transitional period during which Canadian exporters could adjust to the new situation. The British have proposed that the application of the common tariff on industrial goods be staged over three years and that there should be a transitional period of six years for agriculture.

On the basis of my discussions with European leaders, I can say that Britain and the EEC are prepared to explore with us areas where their interests may to some extent coincide with our own. They are also willing to maintain a two-way flow of views and information with Canada throughout the negotiations. We hope that their agenda will not be too rigid to allow them to do these things in a meaningful way.

It would, however, be misleading for me to suggest that there is prospect of any major accommodation of Canadian trade interests in the short term. Apart from whatever possibilities may exist for adjustments based on mutuality of interests, we must assume that, if the negotiations succeed, Canadian exports to Britain will eventually be subject to a Common External Tariff and a Common Agricultural Policy.

The general situation as far as access for Canadian goods is concerned would be significantly improved if the trading countries of the world undertook, during the enlargement negotiations or before the end of the transitional period, a broad negotiation to reduce tariffs and non-tariff barriers to trade. This would mitigate the trade-diverting effects of EEC enlargement in much the same way as the Dillon and Kennedy Rounds eased the impact on third countries of the original formation of the EEC.

For the present, however, European energies are being concentrated on the reshaping of Europe. In Brussels, it was emphasized that *élargissement* is only one of the current preoccupations of the EEC -- the other being *approfondissement*, the progressive transformation of the Community from a customs union into a full economic and monetary union. We suggested that they should give more thought to the need for a *mondialisation* -- or adaptation of the results of the enlargement negotiations to the requirements of world trade.

European Views

In both Brussels and London, there was a tendency to agree that the Canadians were exaggerating the impact of EEC enlargement on their trade. I was told that many of our exports would benefit from the dynamics of growth of the enlarged Community and its rapidly expanding import needs. Reference was made to the fact that the EEC's imports have more than doubled since 1958, when the Community came into being. It was also pointed out that the average level of the Common External Tariff on industrial goods was lower than that of the United States. Other favourable factors, including inter-company arrangements, could, some Europeans believe, ensure continued exports to an enlarged Community of some of our industrial goods.

In our meetings in London, the British sought to convince us that there would always be a large market for Canadian hard wheat in Britain because it was needed to maintain the right balance in milling operations.

We were repeatedly assured by all that the policy of the EEC (and perhaps even more so of an enlarged EEC) would be responsible and outward-looking. In fact, all said Europe "would not be comfortable with an inward-looking orientation".

We listened carefully to these reassuring assertions. I said we sincerely hoped that events would bear out the assumption of faster European economic growth, following enlargement. This would not help us, however, we emphasized, in those cases where their tariffs or other trade barriers were highly restrictive, as in the agricultural sector.

If Europeans are going to continue to need our industrial materials to sustain efficient economic growth, why impose on themselves the burden of paying significant customs duties on some of these products? If the enlarged Community will continue to need our wheat, should not the relevant regulations of the Common Agricultural Policy be adjusted to facilitate such trade?

I welcomed their predictions that an enlarged Community would be outward-looking and said that we hoped to see this reflected in the progress of the GATT work program and in future initiatives toward trade liberalization.

Canadian Strategy

What will be the Canadian attitude in the months and years to come? We shall continue, as I indicated, to keep considerations of this kind before our trading partners in Europe throughout the negotiations. We shall continue to seek areas of mutuality of interests. We shall continue to urge the EEC and the applicant countries, when they are weighing the merits of alternative solutions, to include in the balance the interests of their countries and the future of the world trading community.

...My colleague Mr. Sharp is now in Europe and will be discussing the implications of EEC enlargement for broad Canada-Europe relations.

Our discussions will be pursued in the coming months with all present and prospective members of the Community. In our consultations with them, we are placing considerable emphasis on the kind of relations an enlarged Community would have with Canada and other countries and trading groups.

As the negotiations in Europe proceed, we shall be considering how our important contractual rights and obligations can be put into play most effectively. We shall also be reviewing the implications of EEC enlargement for Britain's preferential access to the Canadian market.

In the meantime, we shall use our influence in the GATT to maintain the momentum of trade liberalization efforts and press in particular for a major round of negotiations before the results of the enlargement negotiations are put into effect. We shall continue to urge the United States to provide, with the EEC and other major world traders, the leadership and support which is essential if these efforts are to succeed. We had the opportunity to discuss these matters recently with members of the United States Administration when the Joint Canada-United States Committee on Trade and Economic Affairs met on November 23 and 24 in Ottawa.

We shall have no illusions, however, that we can safely leave the protection of Canadian interests to others. As a major trading partner of Britain and a significant market for the EEC and the applicant countries, Canada is not without bargaining power. These countries all wish to do more business with us; we shall insist that the terms on which we trade are fair to us as well as to them.

It will continue to be a key objective of Canadian policy to intensify our trading relations with Europe as a whole. There will be adjustments to be made because of enlargement, but in view of the magnitude and variety of Europe's import needs there should be many opportunities there for Canadian trade. We must strive to gain a share of European markets, which is more in line with our role in world trade generally.

In Industry, Trade and Commerce, we have already been giving greater emphasis to this area in our departmental programs. One-third of the officer strength of our Trade Commissioner Service is now engaged in Europe. We are devoting more resources to trade fairs and missions in the European Economic Community. We are seeking to expand the framework for scientific and technological co-operation with a number of European countries. For example, following a science and technology mission to Belgium in June, we have drafted an agreement to facilitate this type of co-operation with that country.

In the first ten months of this year, our exports to the Community were 43 percent above those in the corresponding period of 1969. In 1970, the EEC will be, for the first time, a considerably more than \$1-billion market for Canadian goods.

Our activities in some of the countries which are or will be associated with the EEC are also being stepped up. For example, we have just had important discussions in Ottawa with a high-level delegation from Algeria. These talks have led, among other things, to the sale of from 850,000 to one million metric tons of wheat for delivery over the next four years.

We shall be continually seeking ways of improving the effectiveness of our trade-development activities in the EEC and associated countries. I hope that Canadian exporters will also ask themselves whether there is anything more they could do to expand their sales to this dynamic trading group.

The public and private sectors in Canada will have to work closely together in order to minimize the adverse effects of EEC enlargement on our trade and to maximize its positive elements. I know that we can count on all sectors of Canadian industry and I assure them that the Government will do its part.

S/A

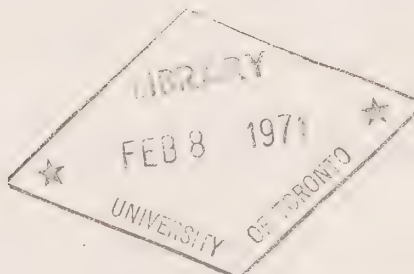


STATEMENTS AND SPEECHES

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70/19

ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

A Statement in the House of Commons by the Honourable Mitchell Sharp, the Secretary of State for External Affairs, on October 13, 1970.

I am pleased to announce the successful conclusion of our discussions in Stockholm with representatives of the People's Republic of China, reflected in today's joint communiqué which records our agreement on mutual recognition and the establishment of diplomatic relations. The joint communiqué of the Government of Canada and the Government of the People's Republic of China concerning the establishment of diplomatic relations between Canada and China is as follows:

"1. The Government of Canada and the Government of the People's Republic of China, in accordance with the principles of mutual respect for sovereignty and territorial integrity, non-interference in each other's internal affairs and equality and mutual benefit, have decided upon mutual recognition and the establishment of diplomatic relations, effective October 13, 1970.

2. The Chinese Government reaffirms that Taiwan is an inalienable part of the territory of the People's Republic of China. The Canadian Government takes note of this position of the Chinese Government.

3. The Canadian Government recognizes the Government of the People's Republic of China as the sole legal government of China.

4. The Canadian and Chinese Government have agreed to exchange ambassadors within six months, and to provide all necessary assistance for the establishment and the performance of the functions of diplomatic missions in their respective capitals, on the basis of equality and mutual benefit and in accordance with international practice."

Officials from my department and from Industry, Trade and Commerce will be leaving for Peking very shortly to begin administrative preparations for the opening of a Canadian embassy in Peking. We hope to have the embassy in operation within two or three months.

The establishment of diplomatic relations between Canada and China is an important step in the development of relations between our two countries, but it is not the first step, nor is it an end in itself. We have opened a new and important channel of communication, through which I hope we will be

able to expand and develop our relations in every sphere. We have already indicated to the Chinese, in our Stockholm discussions, our interest in setting up cultural and educational exchanges, in expanding trade between our two countries, in reaching an understanding on consular matters, and in settling a small number of problems left over from an earlier period. The Chinese have expressed the view that our relations in other fields such as these can only benefit from the establishment of diplomatic relations between our two countries. They have also agreed in principle to discuss through normal diplomatic channels, as soon as our respective embassies are operating, some of the specific issues we have raised with them.

As everyone knows, the agreement published today has been under discussion for a long time. I do not think it is any secret that a great deal of this discussion has revolved around the question of Taiwan. From the very beginning of our discussions the Chinese side made clear to us their position that Taiwan was an inalienable part of Chinese territory and that this was a principle to which the Chinese Government attached the utmost importance. Our position, which I have stated publicly and which we made clear to the Chinese from the start of our negotiations, is that the Canadian Government does not consider it appropriate either to endorse or to challenge the Chinese Government's position on the status of Taiwan. This has been our position and it continues to be our position. As the communiqué says, we have taken note of the Chinese Government's statement about Taiwan. We are aware that this is the Chinese view and we realize the importance they attach to it, but we have no comment to make one way or the other.

There is no disagreement between the Canadian Government and the authorities in Taipeh on the impossibility of continuing diplomatic relations after the Government of Peking is recognized as the Government of China. Both Peking and Taipeh assert that it is not possible to recognize simultaneously more than one government as the Government of China. Accordingly, the authorities on Taiwan and the Canadian Government have each taken steps to terminate formal diplomatic relations as of the time of the announcement of our recognition of the Government of the People's Republic of China.

S/C



CANADA

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70/20

INTERNATIONAL ASPECTS OF POSSIBLE FUTURE CANADIAN PARTICIPATION IN SPACE PROGRAMS

An Address by the Honourable C.M. Drury,
President of the Treasury Board, to the
Canadian Aeronautics and Space Congress
and Exposition, Montreal, November 17, 1970.

The Canadian Aeronautics and Space Congress and Exposition is an international gathering *par excellence*. Among the audience tonight are the representatives of French, British and United States aerospace transportation industry, government officials, as well as scientific and technological experts from many countries. This fact offers me a unique opportunity to explore with you the kind of options which Canada could pursue in the near future in the field of space activities. My purpose this evening is to place our space program within its international framework in relation to Canadian resources and Canadian objectives. Most of my remarks will be exploratory and even hypothetical, but I think you will agree with me that much hypothetical and exploratory thinking is necessary before actual decision-making is to take place, particularly when large sums of taxpayers' money may be committed by governments to highly expensive programs.

The conduct of space programs is very much a "rich-man's" game. Only the United States and the Soviet Union have sufficient resources to apply to a comprehensive program without unacceptable sacrifices of other objectives. Only a few other countries (Britain, China, France, Germany, Japan) have devoted resources to the development of a satellite-launcher capacity. India recently announced the intention to do so, but it remains to be seen whether this is an over-ambitious aspiration. An additional small group of countries have engaged in space activities without embarking on the luxury of attempting launcher development, and among these Canada's achievements have been recognized internationally as occupying a leading position.

Now that man has actually gone out into space, several conclusions can be expressed as reasonable certainties:

- (1) That space activities will continue on an increasing scale;
- (2) that the overall expenditures will continue to rise;
- (3) that increased effort will be devoted to developing useful applications for space technology in parallel with scientific investigation;

- (4) that world space activities will continue to be dominated by the United States and the Soviet Union.

In the situation which I just described, those technologically-advanced countries desiring to pursue active space programs appear to have three practical options open to them in the short- and medium-term:

- (1) Individual countries could work out bilateral co-operative arrangements with one of the super-powers (the Canadian *Alouette* program, the proposed earth-resource satellite "read-out" arrangements and the proposed launch of a domestic-communications satellite are typical of this kind of co-operative endeavour with the United States).
- (2) A number of countries could join forces to provide the necessary resources for a full-fledged space program comparable to those of the super-powers (there are proponents of this approach within the European Space Conference).
- (3) A group of countries could work out a joint approach to provide a framework for co-operation with the United States.

The United States is now proceeding with the so-called post-*Apollo* program, the principal feature of which would be the development of a re-usable launch-vehicle, described as the "space shuttle", designed to place large payloads in orbit (for space-stations and other uses) at substantially reduced cost. In late 1969, Dr. Paine, the former head of NASA, outlined in very general terms a proposal to a number of countries which would permit co-operative participation in the post-*Apollo* program. This offer has led most advanced countries to review the scope of their space activities.

There were indications at the July ministerial meeting of the European Space Conference that they may be inclined to adopt the third option of a collective approach to the post-*Apollo* offer as they have been encouraged to do so by the United States, provided they can negotiate for the provision of a guaranteed launcher service for their own scientific and applications satellites. While not losing sight of the great disparity between the United States and European space efforts, they are also anxious to identify some discrete and essential components which Europe could contribute to the future space system so that the general relationship would embody a measure of true interdependence between the partners.

However, at a recently concluded 13-nation conference of the two European organizations for space and launching research, Britain took the lead in rejecting the United States proposal for a European contribution to the post-*Apollo* program. Only France, West Germany and Belgium appear to be prepared to open talks with NASA at this time. This new development must be seen in the context of the currently accelerating evolution towards a single European space organization.

This unifying trend coincides with the reopening of negotiations for Britain's (and other) applications to join the European Economic Community, and this pressure of political and economic motivation could result in remedying some of the shortcomings of the past disjointed efforts in space.

All these developments have relevance for Canada and for the future of Canadian aerospace programs. Canada could well be in the very fortunate position of being able, if so desired, to adopt several parallel and complementary courses of action at the same time.

There would appear to be no obstacles to continuing with bilateral arrangements of the kind now existing with the United States (launches for scientific satellites such as *Alouette*; ground-stations for "reading-out" earth-resource satellites, launches for communications).

Moreover, a relatively modest expenditure of federal research and development funds could enable Canadian industry to participate in contracts for the development and production of sub-systems in the post-*Apollo* system -- in effect a space-shuttle production-sharing program. A Canadian research and development effort of this kind would presumably entitle Canada to access to the post-*Apollo* facilities when they come into being.

Significantly, the draft convention now being considered for the future European Space Organization makes provision for associate membership for non-European countries. There is good reason to believe that under such an arrangement it would be possible to elect to participate in only those programs in which Canada had a real interest and that financial obligations would only arise with respect to those particular programs.

The propositions of continuing bilateral relationships with the United States and of research and development sharing need little explanation here. However, the case for seeking an association with the future European Space Organization calls for greater amplification on several points.

It is strongly suggested in *Foreign Policy for Canadians* that to ensure a continuing independent existence Canada should seek to develop countervailing influences to offset the dominant bilateral relationships with the United States. Continued Canadian co-operation with the United States in various space activities is undoubtedly desirable and probably inevitable. For this very reason there is a real political need to look beyond the continental relationships. Association with Europe offers such an opportunity and, it is to be hoped, could be achieved at a tolerable cost.

Most discussion of future space programs has focused on the short and medium term. I feel that it is necessary to look forward to the 1980s and beyond to a period when space activities will almost certainly have become much more international in scope than today. The European Space Organization will probably show signs of developing in the direction of a broad-based international space institution. This desirable objective would be fostered if Canada (and Australia and Japan as two other likely candidates) should be associated with the Organization from the outset. A Canadian voice, if it is raised now among the Europeans, would probably have more influence in the process of evolving an international institution, than if Canada should later try to influence the United States on the strength of what would necessarily be a relatively very modest contribution to the overall NASA program.

A space-shuttle production-sharing program could have demonstrable benefits for Canadian industry and could materially advance Canadian technological competence, but it would lack much public visibility. Association with the European Organization could perhaps open the possibility of working among countries more of our size on some identifiable project such as the so-called "space-tug" to be designed for inter-orbital travel within the post-Apollo system. Associate membership would, however, carry no commitment to do so, since it would rest entirely with Canada whether or not to join such programs.

Association with Europe could provide Canada with an *entrée* to commercial opportunities in Europe to employ the technological capacity which should be developed through the post-Apollo research and development arrangements with the United States. This would reinforce efforts now in the active planning stage to foster more intensive scientific and technological relations with Germany, as well as what has been set in train in Belgium.

Under proposals advanced in ICAO, arrangements are going forward for the development of a traffic-control satellite. Canada has a large stake at present in the management of the transatlantic air-traffic control system. Association with the European Space Organization would give Canada an option to participate from the outset in the research and development phase of the traffic-control satellite project. This would give important advantages later on when tackling the production, organization and management phases of the development of the systems. The history of INTELSAT suggests that we should enter the arena early.

To sum up, association with the European Space Organization would offer both present and future political benefits as well as the option to participate in interesting and useful practical programs, and would not preclude beneficial arrangements with the United States.

Let me conclude by stressing again that my purpose this evening was to share with you some of my thoughts on this very complex and difficult subject. The governments and people alike are beginning to perceive that the application of science through technological development is likely to be a critical factor -- perhaps more important and certainly more desirable, in my view, than ideology -- in bringing about transformations in human society. The Canadian Government shares this perception and it intends to pursue a space policy consistent with Canadian resources and Canadian objectives.

S/A



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CANADA'S ROLE IN THE WORLD TRADING ECONOMY

An Address by the Minister of Finance, the
Honourable E.J. Benson, Vancouver, November
16, 1970.

I should like to make some comments tonight on Canada's role in the international economy.... As you well know, there are far-reaching changes now taking place in the world economy and in the policies of the great trading countries that make it particularly important for us to think out clearly where we are going. For these reasons, you may have a special interest in hearing some views from the Government's side about the place Canada should seek to occupy in this evolving world economy.

Possibly the best way for me to open up this complex subject -- and I don't propose to do much more than to open the subject -- is to comment on several important developments and to try to draw some tentative conclusions about what these developments mean for Canadian policy. What I have to say is perhaps rather artificial and misleading because all these factors are operating together, and it is their impact together which we must assess in evolving Canadian policy. Let me say what I want to say under four headings, as a way of coming to grips with these issues.

First, we have to look hard at the changing structure of demand for Canadian products in world markets. Second, we have to look at the critical role of manufacturing in the Canadian economy and the growing need to take proper account of economies of scale and the scope for specialization on an international basis. Third, we need to assess the impact on Canada's future trade of regionalism and more particularly the possible development of a tariff-free zone in Europe stretching from the Baltic to the Mediterranean and including Britain inside its tariff and trade policy wall. Fourth, we need to assess the impact of protectionist sentiment in the United States, both on our immediate trade prospects and on the longer-run prospects for any movement towards a freer trading world.

Let us look first then at the changing structure of demand for Canadian goods. As I stated in the House recently, our exports have been a most dynamic force in the economy this year. The latest figures, for September, show some decline from the very high plateau achieved earlier in the year, but

exports continue to run well above the figures for the last quarter of 1969. Our sales to countries other than the United States have been the most buoyant over the nine-month period. Indeed, on a seasonally-adjusted basis, sales to other countries are higher by 14 per cent over last year.

Clearly, one of the most important facts about Canada in the 1970s and 1980s will be the increasing demand from our neighbours on three sides -- the United States, Western Europe and Japan -- for industrial materials and energy supplies. A decade ago, very few people foresaw that we should be making long-term contracts for coal to be shipped to Japan, and require a new harbour to service these contracts -- developments of particular interest to you -- or that we should be considering the economics and the ecology of a pipeline from the Mackenzie Delta to southern markets. Nor did many people take into account the prospect of an energy shortage in the United States and the impact that would have on the demand for Canadian oil and gas.

Of course, there are contrary developments. For example, there are the restrictions imposed by the United States on our oil and uranium. Then, too, there is the decision of the British Government, under its regional development arrangements, to induce several large aluminum companies, including a Canadian one, to develop aluminum production facilities in the United Kingdom rather than to continue to purchase a growing volume of aluminum from Canada. Obviously this will have some impact on our sales to Britain, and it is all the more important that, in the negotiations looking to British accession to the European Economic Community, our British friends seek the removal of the common external tariff on this product.

Nonetheless, I think that there will be a growing demand for our raw materials and energy sources. I also think that in the 1970s the development and export of Canadian resource materials and energy supplies will be one of the driving forces in the Canadian economy. It seems to me we are justified in meeting these demands as long as we are assured of a fair price and as long as we reserve ample supplies to meet our own needs.

It is within this context of competition for our resources that we shall have to assess the changing role of manufacturing in the Canadian economy. I know that it is rather trite to draw attention to the growth in secondary manufactures and fully-manufactured products in Canadian production and exports. It may be trite as well to emphasize again that we need more manufacturing in Canada to provide the necessary number of jobs for our growing labour force, which is expanding more quickly than that of any other industrial nation. These jobs are not going to be provided by the highly capital-intensive extractive industries.

But the nature and scope for the manufacturing sector in the trade of a country such as Canada must be carefully assessed. Let me mention a number of factors which we in government will be examining more carefully as we develop new policies for the 1970s and 1980s.

First -- and this is not in any order of importance -- there is the difficulty that continues to confront Canada from the growing economies of scale resulting from the steady development of new technologies. For a

number of manufactured products, such as basic petrochemicals, only the markets of the United States, the EEC, Japan and the U.S.S.R. are large enough to support production at optimum levels. There are other products for which even these markets are not large enough, the most obvious example being large jet aircraft.

For Canada, with our small domestic market, this problem of scale manifests itself in various ways. Even for those products for which the Canadian market (plus available export outlets) could provide the scope for possibly two or three plants, there is often excessive diversification of production within each plant. This is typically the problem of our primary textile industry and of our consumer-goods industries. We simply cannot expect to produce a wide range of such goods as cheaply in a modern and efficient Canadian plant as in an equivalent plant in Japan or the United States. Our small market does not give rise to the demand for the long runs that are necessary to operate our plants at their lowest unit costs.

There are various answers or combinations of answers to this problem of over-diversification. One has been the answer which successive Canadian Governments have given since 1935 -- that is, to negotiate better terms of access for our products in foreign markets and to eliminate the excessive tariff protection given Canadian producers. Two notable examples of this are the program of tariff reductions negotiated under the Kennedy Round and the Canada-United States arrangements on automotive products.

A second answer is to use our resources and skills to make those products for which there are few economies of scale. I suppose that is why we have seen such a significant growth in exports of garments to the United States, to take another example from the textiles sector. In this area it is design and quality of production rather than scale which are relevant.

A third response, and one that all too frequently we have been unable to avoid in the past, is to simply put up with higher costs to Canadians -- by imposing restrictions on trade -- in order to try to create the jobs which Canadians need.

You will see, I am sure, how considerations of this kind bear on the possibility of maintaining and developing viable Canadian industries in a number of different fields. The nature of the problem may be illustrated by reference to the chemical industry, where the economic advantages of optimum-scale production now make quite unattractive the operation of many existing plants or the construction of new facilities designed solely for the Canadian market. And yet it is not an attractive prospect for us to export our raw materials, our petroleum and natural gas, and import the sophisticated products of the large-scale petrochemical industries of the United States, Japan and Europe.

It is indicative of the approach that we have adopted in an effort to resolve this kind of dilemma that my colleague Mr. Pepin, the Minister of Industry, Trade and Commerce, and his officials have been working closely with representatives of the industry to develop detailed proposals for a feasible chemical industry policy that will not result in imposition of higher costs on

Canadians. Chemicals are too important a part of our industrial cost structure for that to be feasible. Indeed, in the chemical tariff negotiated during the Kennedy Round and enacted by Parliament, this Government has clearly opted for a policy of only moderate protection for this industry. To put it more bluntly, we have clearly rejected the more protectionist policies which chemical companies affiliated with those in Canada have often managed to secure in other countries. That means, then, that if we are to have a substantial chemical industry in Canada -- and I have in mind particularly the prospects of developing a healthy petrochemical industry -- we shall have to have access on a reasonable basis to the markets of other countries for those products, which, given the advantages of location and access to materials, can be efficiently produced in Canada.

The alternative policies are ones that, personally, I find quite unattractive. One is simply to export raw materials and import finished products. That is the sort of policy which Canadians rejected 100 years ago. The second is to seek some sort of special preferential arrangement with some other larger market. Such a policy, of course, would conflict with our traditional multilateralism -- which I am sure is in the broad national interest, and would certainly have implications going beyond commercial policy. Furthermore, there is no disposition on the part of any such larger market to offer any special arrangement for Canadian products. Alternatively, we could embark on a policy of high protection for certain selected sectors of our economy. This, I think, would be unacceptable to Canadians if only for the reason that it imposes intolerable costs on those other Canadians that have no choice but to compete with their products in world markets. These are the sort of considerations which must be kept in mind as we try to evolve sound and workable commercial policies.

Let me revert to the more general subject of the role of manufacturing in our economy. I have several points to make. The first is merely to observe that, while the growth in exports of manufactured goods has been substantial, these exports often depend in some measure on various forms of special assistance by government, or the operation of certain non-commercial factors. Manufactured exports have, for example, particularly benefited from the facilities of the Export Development Corporation (and its predecessor, the Export Credit Insurance Corporation). There are, too, the special provisions of the Canada-United States Defence Production Sharing Arrangement under which a rough balance over time is required between purchases and sales and under which Canadian defence goods enter the United States duty-free. Manufacturing exports also reflect the fact that many less-developed countries frequently want our aid in the form of our most advanced capital equipment and that our aid program has been growing. Manufactured exports also benefit from the substantial tariff preferences which remain in Commonwealth countries such as Britain and Australia. And then, too, there are the exports under the Automotive Products Agreement. When you take these factors together, it is clear that a significant portion, perhaps more than a third, of our exports of more advanced manufactured products in the last few years have been exported with the help of certain special facilities or arrangements.

Secondly, I should like to observe that we must now give more careful scrutiny to the growing competition in the Canadian market from imports which may be subsidized or dumped or are artificially competitive in some other way.

You will realize governments are always under pressure to react to competitive imports by erecting some special barriers; we need to equip ourselves to look very carefully into such requests so that we don't react when there is no unfair competition, and that we are well-informed and can act when there really is damage to Canadian producers.

Accordingly, we have introduced a bill now before the Senate to enable us to use one of the existing investigative bodies -- the Anti-dumping Tribunal -- to enquire into cases of alleged injury from imports which, though not dumped, are said to be unfairly competitive. Parliament is being asked to broaden the Tribunal's scope for such enquiries.

I might also refer to the growing concern at the extent to which other highly industrial countries are apparently using various forms of subsidized credit to increase their export of capital goods to Canada. Our manufacturers should be expected to compete with the producers of other countries, but not with their national treasuries.

We consider that there have been some imports recently that looked remarkably like credit-dumping. Accordingly, we propose to bring such credit-dumping within the ambit of the Anti-Dumping Act; like any other kind of dumping which injures our producers, it is proper for us -- under the GATT -- to act against it. This will, I am advised, require some changes in the very detailed regulations that have been made under the Act, and these are now being considered on an urgent basis by the specialists within my Department.

And finally, let me reiterate the obvious on the subject of productivity in the manufacturing sector. There are now limited possibilities for productivity improvements in some of the service industries which are now such important employers in Canada. Clearly, if Canadians expect to realize the higher incomes they want in the next few decades, they must look primarily to the manufacturing sector. The rate of productivity growth is the only source from which we can gain improvements in our standard of living. Over the past 20 years, the average increase in output per man for the economy as a whole, exclusive of the government sector, has been $2\frac{1}{2}$ per cent *per annum*. But for manufacturing alone it has been 3.4 per cent *per annum*. This means that for the economy as a whole, including governments, it is unrealistic to think of an annual improvement in our standard of living in excess of 2 to 3 per cent. This is a fact to which governments, as well as individuals, should accommodate themselves.

The third matter I want to discuss is the impact on our prospects of economic regionalism, and particularly the possibility of the EEC being enlarged. Clearly, the postwar policy of negotiating reductions to trade barriers, negotiating on a multilateral basis under the leadership of the United States, has lost some of its momentum. In Western Europe, the drive is not towards such multilateral efforts but rather towards the creation of a great free-trading zone covering most of Western Europe.

These developments, if they do come to pass, will create problems of adjustment for Canada. If Britain joins the Common Market on the basis of the present common external tariff and the present common agricultural policy, the terms of access for Canadian exports to Britain will be greatly changed.

Only about a third of our exports to Britain will continue to enter free of duty. Our industrial exports to Britain will face the common tariff, the margins of tariff preferences will disappear, and the competitive products of other countries will enjoy free entry. Agricultural exports will encounter an additional range of problems; not only shall we lose our margins of tariff preference but we shall be faced with the adoption by the British of the common agricultural policy, which involves levies on imports and other restrictions on trade.

...Britain is our most important customer for Douglas fir plywood and canned salmon; sales of these products to Britain amounted to \$30 million and \$21 million respectively in 1969. At present these products enter the United Kingdom free of duty and Canada benefits from a tariff preference against non-EFTA suppliers. The preference against the U.S.S.R. is particularly important in the case of plywood. Should Britain adopt the Community tariff for canned salmon and plywood, however, Canadian exports of these products would become dutiable, would lose their preferential tariff treatment *vis-à-vis* other countries and would face reverse preferences in favour of Common Market countries. On the other hand, our exports of lumber, which do not now receive a tariff preference in the United Kingdom, would continue to enjoy free entry under the Community tariff. Many of Canada's exports to Britain represent important "inputs" to British industry; in such cases, of which plywood is an example, it would be in Britain's own interest to secure continued duty-free entry for Canadian products. Canadian ministers and officials will continue to consult with the British negotiators on such matters of common interest as the so-called enlargement negotiations proceed.

As I have made clear, we are still at the negotiating stage. As the results become clearer and the effect on Canadian producers easier to measure, we shall have to assess the overall effect of the changes in British policy. The results will certainly have implications for the balance of our obligations to Britain under the General Agreement on Tariffs and Trade, as well as under our various bilateral trade agreements, but it is too early to state what changes will be required in British preferential access to the Canadian market. The general picture would be significantly altered, and for the better, if prior to the definitive arrangements for British entry coming into effect the trading nations of the world undertook a broad trade negotiation to achieve a further general reduction in barriers to trade. Such a negotiation could, at one and the same time, carry forward the process of trade liberalization and reduce the need for adjustments which might otherwise become necessary as a result of the enlargement of the Community. Clearly, any such negotiation requires the strong support of the United States Administration.

In saying all this, I do, of course, recognize that an economically strong Western Europe will be a growing market for a wide range of Canadian products, and there is no reason to believe that, in the long term, the broad direction of Western Europe's trade policies -- aside from agricultural policies -- will be protectionist. Indeed, in the postwar period, the direction of trade policy in Europe has been away from highly restrictive policies and towards somewhat greater freedom of trade. It is our view, therefore, that some of the immediate problems of adjustment for Canadian producers can and should be eased by arrangements for some of our more important exports and that such arrangements could benefit Europe as well as Canada.

These developments in Europe clearly call for new and meaningful initiatives by the United States. Only if the United States is prepared to give some constructive leadership can we launch a multilateral attempt to ease some of the potential problems of adjustment. It seems to me, therefore, that the emerging threat of protectionist policies in the United States should give us serious concern. The proposals before Congress are not all bad, but some are mere protectionism -- for example, the measure contemplated on textiles and footwear. Like many outside the United States, I do not see the need for such a belligerent attack on imports into the United States of these products.

While it is a good thing that the Congress may contemplate allowing the President to scrap the American Selling Price Valuation system, it is not encouraging that it is only now at the end of 1970 that this seems in prospect. The abandonment of this particular form of protectionism was undertaken by United States representatives in the Kennedy Round and there were important tariff reductions offered in return; the failure to carry through this arrangement has undermined all the attempts by the United States since that time to exercise any leadership in commercial policy.

Let us turn now to suggesting what these various developments mean for Canadian economic policy, and more specifically for our trade policy. I have commented on the growing demand for Canadian materials and energy sources and I have drawn attention to the importance of developing the manufacturing sector of our economy in order to provide jobs and to raise productivity. I have noted the growing pressure to take account of the economies of scale and thus of the need of specialization. I have commented too on the impact on Canada of economic regionalism and of protectionism in other countries. What sort of policies are appropriate for Canada in this complex of circumstances?

First, I don't think that any of this calls for reversing Canada's policy of the last few decades of seeking better terms of access for particular Canadian products, and at the same time reducing excessive and costly protection here in Canada. Rather, it calls for a refinement of this policy and for a greater effort by the Government to apply it effectively. You will all be aware that, parallel with this policy of negotiating tariffs, we have been developing a complex of measures on the expenditure side -- of industrial development incentives and regional development grants. It seems to me that this positive expenditure policy must be co-ordinated with the more traditional trade and tariff policies so that we are certain that we are encouraging the production of the right products for our markets at home and abroad. Clearly, in all those sectors of manufacturing where technology dictates economies of scale beyond the scope of the Canadian market, it is most important to identify the particular products in which Canadian producers have a comparative advantage and for which there is some prospect of our negotiating access to some larger market. Such a selective strategy of industrial development is vital for a country of Canada's size.

It should also be clear how vital is the attitude of the United States in developing such an industrial and commercial policy for Canada. If the United States moves in a protectionist direction, with a resulting reluctance to lower barriers on imports from Canada (except on those raw materials and the energy which the United States must have), then our prospects for identifying

and then establishing efficient production of particular manufactured products would be rather remote.

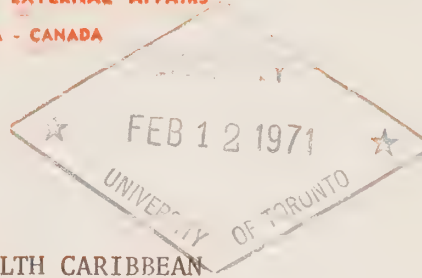
This might mean that we should be forced back into more of a "go-it-alone" policy -- and this, of course, would be a costly policy. This would mean, as it always has, that the costs of protectionism in this large and powerful neighbour would have been exported to Canada -- and, of course, to those other countries which trade with the United States. But the effect would be felt most of all by Canada because we are the United States' most important trading partner. Clearly, one of the most important features of Canada's trade policy is its assumption that the United States will continue to move in the right direction -- toward freer trade. Of course, it is encouraging to see the growth in our raw-material exports to Japan and to Western Europe. But in the longer term, if we are to seek out and develop a sophisticated manufacturing economy, making a few products well and exporting them to world markets, we shall have to rely on a liberal policy being maintained by the United States.

S/A



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



No. 70/22

CANADA AND THE COMMONWEALTH CARIBBEAN

A Statement in the Senate by the Honourable
Paul Martin, December 8, 1970.

Honourable Senators, several weeks ago I indicated to the Senate that I would report on my special mission to the Commonwealth Caribbean, which I had earlier undertaken on behalf of the Government.

In September and October I made two separate trips to the area, calling on the governments of 13 countries. Between September 8 and September 22, I visited in turn Barbados, St. Vincent, Grenada, Trinidad and Tobago, St. Lucia, Dominica, St. Kitts-Nevis-Anguilla, Montserrat and Antigua. Between October 9 and October 18, I returned to the area to visit Guyana, Jamaica, British Honduras and the Bahamas. I had, of course, been in the area on numerous occasions in the past but I had not visited every one of the above countries. It is difficult to realize how richly varied, and different one from the other, each of these countries is until you have visited them concurrently, seen their topographies, talked to their people, heard about their aspirations and problems, savoured their way of life and, I might add, even swum at their glorious beaches.

The purpose of my visit was both narrow and broad. It was narrow in the sense that I was there basically to talk to the governments of each of the countries. The purpose of my trip was broad in the sense that I was under no restricted mandate in my talks with the governments. The Canadian Government viewed the mission as an opportunity to open a dialogue with the governments in the area and to listen to any points of view which they might wish to advance or subjects which they might wish to discuss. On the Canadian side, the two specific issues which we wished to bring up were the Canadian offer to extend the sugar-rebate payments for the calendar year 1970 and the Canadian offer of a regional agricultural development fund.

I have, of course, prepared a report for the Canadian Government on this special mission. It would obviously be inappropriate for me at this time to say what is in this report. My conversations with the governments in the Commonwealth Caribbean were extremely frank and necessarily of a confidential nature. My account of them to the Canadian Government, and conclusions I have reached, must similarly remain government matters at least until the Government has dealt with the report.

However, in the light of the important interest shown by the Senate of Canada in our relations with the Commonwealth Caribbean, I thought it might be of value to pass on some of my general impressions. Frankly, I had had doubts before I left in September about how useful such a special mission could be. I had heard some say that there had been a deterioration of our relations with the area. I had heard some say that Canadians were unpopular in the Caribbean. I had heard others say that unless I could go down and promise more special favours from Canada there was little point in my going or I would only be creating unwarranted expectations. Let me say openly and emphatically from the start that my trip proved there was no substance to these views.

I found no evidence of any serious deterioration in our relations. It was a subject I asked about everywhere I went. The responses were overwhelmingly warm and not merely perfunctory. Personally I was extended what can only be considered great courtesy. In every country I was met on arrival by a senior minister, and frequently by the head of government. In every case the key figures of government took off a great deal of time to spend with me in both formal and informal meetings. Touching and sincere words of greeting were spoken to me, not in my personal capacity but as a representative of the Canadian Government and the people of Canada. The tone of every working session with governments was cordial, intimate and, I believe, frank. Certainly, the receptions given to me by governments demonstrated in very clear terms the great fund of goodwill which they have towards Canada.

Moreover, the press, newspapers and radio paid a great deal of attention to my visit, and I was particularly struck by the accurate nature of the reporting, the balanced nature of the views expressed in it, and the almost complete absence of any emotional bias against Canada.

I do not wish to imply that there are not problems between Canada and the Commonwealth Caribbean, that new problems will not grow, or that the governments in the area to whom I spoke overlooked them. On the contrary, I found concern about them and a mature appreciation of them. A large number of bilateral problems were raised with me of a political, commercial, aid, and other nature. It would be clearly inappropriate for Canada to try to meet every demand from the area, as it would be for us to expect the governments there could meet every one of our requests. I generally went on to indicate my view, however, that it was not the presence of inevitable problems which determined whether or not relations were good between any two countries but rather the willingness on both sides to recognize the validity of each other's views and the desire to resolve those problems quietly in a spirit of co-operation.

There was no question but that this feeling was reciprocated. Most leaders were prepared to admit that there had been a period earlier this year, in the spring and early summer, when a number of unfortunate circumstances had come together to create some problems. One of these was obviously the Sir George Williams University incident. Even at senior levels of government, I found that some misunderstandings still persisted, such as, for example, why ten Trinidadian students had been tried first, the fact that a larger number of Canadian students had faced charges, and the nature of the court procedures involved. I think I was able to explain successfully some of the facts and the necessarily limited role of the Canadian Government, and indicate the lack of any racial prejudice in Canadian policies, including our immigration policies. The governments welcomed and in some cases seemed relieved by the explanations I was able to give.

With time, of course, the incident has been slowly disappearing from the public limelight. But the misconceptions and repercussions created over the incident have been profound. As one intelligent minister in the area put it to me, as a lawyer he was bound to admit that the proper processes of the law had to be and had been followed, but as an individual he was also forced to recognize that because of human nature the incident would have in his judgment far-reaching influences in the Commonwealth Caribbean.

It is interesting to note that, in one of the islands I visited in the Caribbean, a black-power demonstration was organized against me and a sheet distributed containing charges of racial discrimination in Canada. This was, however, the only specific evidence of anti-Canadian sentiment I found during my nearly four weeks in the Commonwealth Caribbean.

Another factor which led to our earlier difficulties was, of course, the Canadian handling of the sugar-rebate question. While I, of course, defended and explained the reasons for the Canadian decision, I admitted frankly both to the governments and to the public, as my colleague the Secretary of State for External Affairs himself has done, that we should have handled the issue perhaps in a more tactful way. The offer of the Canadian Government to extend the rebate payments during the current year was accepted by all of the sugar-producing countries and was regarded, I think, as evidence of our desire to respond constructively to their concerns.

Obviously, a number of points of view were put to me by leaders in the Commonwealth Caribbean, ranging from those who had originally understood that the rebate payments would be ended when a new international sugar agreement came into being to those who believed that the original Canadian offer made by the Government of Mr. Pearson in 1966 was open-ended and not subject to termination. By extending the rebates for the current year and by going through the process of consultation in which I have been involved, I am confident that a much better setting has been achieved for resolving this issue in a spirit of understanding on both sides.

A further contributing element to some of the misunderstandings earlier this year was a feeling of questioning in the Commonwealth Caribbean about the degree of interest Canada still had in the area. They were conscious that in Canada we have been re-examining the basic tenets of our foreign policy, and attempting to reappraise our relations with other areas such as Latin America or the Pacific Rim. I think I was able to explain that there was no diminution of Canadian interest in the region and, on the contrary, a heightened interest caused by a large number of factors such as our traditional and historical ties, geographic proximity, growing Canadian investment, our trading relations, increasing Canadian tourism, the growing numbers of first-rate West Indian immigrants coming to Canada, our expanding Canadian aid programs in the Commonwealth Caribbean, our new participation in the Caribbean Development Bank and many other factors. I think as well that the mere fact of the visit, and its demonstration that the Canadian Government was seriously interested in listening to any points of view which local leaders wanted to raise, did much to dispel some of the unfounded suspicions I have described.

In this context, I should like to underline the usefulness of the report on Canada-Commonwealth Caribbean relations prepared by the Standing Senate Committee on Foreign Affairs under the very able chairmanship of Senator

Aird. I strongly support the endorsation he gave to the work at that Committee, mentioning as he did particularly Senators Grosart and Robichaud, and other members of the Committee.

I can say to members of the Committee that I was questioned about this on many occasions. Naturally, I had to reply that it was a Committee report, which did not necessarily in all its particulars reflect the views of the Government, and that the recommendations of the report were being studied by the Government, as indeed they are. I was able to point out, however, that the report itself, the amount of time and effort which had been put into it by members of the Senate under Senator Aird's chairmanship, and their desire to listen to the evidence of a large number of eminent authorities on the Commonwealth Caribbean, demonstrated in concrete fashion the very real interest which existed in Canada towards the region. I might add that, although some of the individual points made in the Senate Committee report were not equally espoused by all of the Caribbean leaders, they were very full in their praise for the excellence, comprehension and balance of the report.

There had obviously been misunderstandings in the Commonwealth Caribbean about the Canadian offer of a \$5-million agricultural development fund. Critical things had been said about it earlier in the year. However, when I explained that the Canadian offer should be judged on its own merits, that it was independent of the sugar-rebates issue, that the fund was replenishable and could be substantially untied, and that it represented a genuine attempt by the Canadian Government to offer help of a generous kind in a sector to which the Commonwealth Caribbean attached high priority, the reception of the Canadian proposal quickly became enthusiastic, and that is the reception that I now note. All governments welcomed the idea of an agricultural development fund, and this, of course, was presaged in the Senate Committee report. We had useful exchanges about the best means of implementing the fund. Some differing views were put forward by countries of the region about, for example, the most appropriate channel of administration, but I am confident that these will soon be resolved and that the fund will soon become operational.

I might say a few words about investment, since it was a subject which figured prominently in the Senate Committee report. I did not meet a single government in the Commonwealth Caribbean which did not want more private Canadian investment in its country.

In asking for more Canadian investment, however, most governments also raised the issue of local policy guidelines. These are more advanced in some countries than in others. Much of the Commonwealth Caribbean is going through the same sort of soul-searching examination that has been taking place in Canada on the question of how much control can or should be effected on foreign investment in key sectors. Many would like to see some form of local participation in most investment. Lack of local resources or the type of investment may not make this possible in all cases. What all governments are seeking, however, is some means of ensuring that foreign capital is used to promote the development of the country and the welfare of its people within the framework of national policies. They recognize that foreign investment is a means of importing needed skills and expertise, as well as capital, but they also want local peoples to be trained in these skills and to be employed in these industries.

Looking to the future, I can foresee more strict conditions under which new Canadian investment will be welcome in the area and increasing pressures on existing Canadian investment to conform to local policies. Responsible investment is, however, wanted in the area and, from what I was told by governments, they are fully aware that the Canadian investor must be allowed to operate profitably at the same time as being expected to conform to local policies.

From what I have said, I think it is clear that I personally have no reservations about the closeness of our present relations with the Commonwealth Caribbean. My judgment is that these will continue. Time and time again I heard local leaders say that they liked dealing with Canada, in part because of our long historical association, in part because we treated them as equals, in part because we had no pretensions of imperialism or domination, in part because of similar traditions of law and government, in part because of strong personal connections. From prime ministers to taxi drivers, all seemed to have been to Canada, to have a relative in Canada, to want to go to Canada, or to have just received a letter from a friend in Canada. And the Caribbean leaders still look to Canada for friendship and help, perhaps now more than ever in the past.

We in Canada sometimes feel that we are a very small unit in a large, modern complicated world, trying against odds to control our own destiny. The same feeling, perhaps more powerfully, exists in the Commonwealth Caribbean countries. Domestically, they are trying, with limited resources, to promote rapid development and at the same time to cope with all the economic problems and social stresses which go with rapid development. Externally, they are conscious of shifting world trading patterns and economic alignments. But they tend to feel "comfortable", as one leader put it, in dealing with Canada and I found wide respect for the sort of foreign policies which we pursue in this country.

I do not wish to underemphasize the likelihood that new problems will arise in the future to test our goodwill and diplomatic skill. The Commonwealth Caribbean countries will judge their own national interests by their own national priorities, just as we judge ours. Nor do I wish to imply that the goodwill I found in my tour in any way meant that our discussions of bilateral problems were less than extremely vigorous. Trade, aid and political problems were raised with me at practically every stop, and frequently it was pointed out that there were very real differences of policies being pursued on our side and on theirs.

In the context of trade, the sugar question is much broader than simply the rebates issue which I mentioned earlier, and it affects most of the countries in the Commonwealth Caribbean with the exception of some of the smaller islands. Their basic grievance is that the price Canada pays them for their sugar is less than their cost of production. While they accept the fact that greater efficiencies are required in their production techniques, to bring their costs more in line with the world free price of sugar, they also argue that a number of particular circumstances apply to them, such as lack of domestic market, lack of resources to subsidize production and relatively high labour costs, which mean that the West Indies must obtain higher prices for their sugar exports if they are to survive as sugar producers.

In this light, the West Indies contrasted unfavourably the price which Canada pays for their sugar to the higher prices paid by the United Kingdom and the United States.

On the Canadian side, I said frankly that there was simply no chance of our entering into a bilateral agreement based on a cost-plus price for sugar. I pointed out the difficulties for Canada of attempting to introduce state-trading machinery, which would be involved under such a bilateral agreement, and described our policy of working towards a sugar price remunerative to producers and equitable for consumers, under the International Sugar Agreement, which was concluded in 1969, with the active participation of countries like Canada. Since the introduction of the International Sugar Agreement in 1969, the world free price for sugar has more than doubled, and certainly my hope would be that the ISA will continue to operate as a basic mechanism under which we shall import our sugar requirements.

Generally, in the trade field the problem which seemed to concern most of the countries of the Commonwealth Caribbean was the so-called unfavourable balance of trade. In this they were not so much thinking of the balance-of-payments question but rather the way the cost of their imports had been rising faster than the price of their exports. In Jamaica, for example, codfish imported from Canada forms a part of the staple diet of the ordinary person, and, while they could understand the reason for the rising prices of codfish imports, they were obviously concerned at the repercussions. The countries of the area want to pay their own way by increasing their export earnings, both through agricultural items and manufactured goods. Within the framework of the Caribbean Free Trade Area, CARIFTA, they are trying to work out a sounder basis for trade patterns among themselves and with the outside world.

I may say that I note the considerable reference made to those suggestions in the report of the Senate Committee as to the proposed marketing arrangements that are underlined in that report. The potential of the Canadian market is very much in their minds. A large number of questions were put to me as to how they could increase the flow of fruit and vegetables, for example, to Canada; and on the side of manufactures they are looking to Canada not to put barriers in their way.

The question of limits on the importation of shirts from Trinidad and Tobago was causing concern in the press when I was there, as well obviously with the Government and the people. I was able to indicate our willingness to look flexibly at the question of a possible raising of the quota. This was discussed recently when a team of their officials came to Ottawa to consider the matter further.

With respect to Canadian assistance, I found a great appreciation of the considerable volume of aid Canada was making available, which is the highest *per capita* amount we give to any area of the world. The countries of the Commonwealth Caribbean are, however, impatient, and naturally so, to get on with their development as rapidly as possible. Their appreciation for Canadian aid was, therefore, often coupled with criticism, generally helpful criticism, about what they regarded as some of the limitations of our program. The Senate Committee report mentions some of these -- the tying of assistance to Canadian goods and services, the limitations on the financing

of local costs, and the relatively small start we have made on program assistance. Some of these things are necessary under the Canadian program but I was able to point out the new, more flexible guidelines adopted under the foreign policy review, which will make it possible for Canada to meet some of their concerns.

I know as well that CIDA is examining very carefully possible means of improving the administration of our aid program; and I am confident not only that our aid program has been a legitimate source of pride to us but will be more so in the future, as we adapt it to meet local needs more effectively. The agricultural development fund, for example, which I mentioned earlier, will be substantially untied and will enable us to respond to requests for assistance in the agricultural sector to which we would not have been able to reply positively in the past.

Politically, these countries will want to work out their own destinies, either independently or on some regional basis, without outside interference. The Senate Committee report refers to the "possibility of constitutional links between Canada and countries of the Caribbean area".

In all of my discussions during the tour, there was only one leader who raised this possibility, and even this comment was tempered by qualification. There was certainly no indication of general interest in it, and I am quite sure that the emphasis within the region is at present in directions other than towards constitutional links with Canada. The view of the Canadian Government remains that it is up to the region to take its own decisions about its political future. This is the attitude that we take. It is understandable that this is the attitude that we should understand exists not only on the part of sovereign governments in the area but also on the part of associate states.

Although I have not attempted to relate this statement directly to the Senate Committee report, it must be obvious that most of the comments I have made are relevant to many of its recommendations. The simple fact that the Government decided to send a special mission to the Commonwealth Caribbean -- even though this decision was taken prior to the release of the Senate Committee report -- is an indication of the Canadian Government's awareness of the theme which runs throughout the report, that there was and is a need to maintain a close dialogue with the governments of the Commonwealth Caribbean. The Government's consideration of my report will lead to a positive step, I sincerely believe.

As I indicated, I have made a report. My recommendations are before my colleagues and these are in the process of discussion.

It is not inappropriate to add that I think Canadian interests are well served in the area through the Canadian high commissioners and their staffs who are posted there, and through the various private Canadians I met, whether they were serving under the aid program or were in religious institutions, in business or in other walks of life. I was struck by, and I concur with, the recommendation of the Senate Committee that particular priority should be attached to the selection of suitably-qualified Canadian representatives in the area. In my own experience, we can be proud of the dedication and the competence of our present personnel, both those serving in the Caribbean and those working on Caribbean relations in Canada.

I said a few moments ago that the leaders in these countries still look to Canada. They are small units in a modern world, beset with external and domestic problems, and they are fearful of the domination of their largest neighbour, conscious of Britain turning toward a more European association, and feeling their way towards a closer association with Latin America. On the Caribbean side, too, our long historical connections with the area, its geographic proximity, and the amount of tourism, trade and investment and aid flowing there have created special connections which we cannot overlook. Whether we like it or not, and however we may wish to define it, we obviously have a relationship with the Commonwealth Caribbean which is unlike that with any other part of the world.

In speaking of the Commonwealth Caribbean I have not meant to imply that it can be considered as a homogeneous unit. In looking back over my tour, one of my most striking impressions is the differences which exist. The topographies, economies and stages of development vary widely. Clearly they must work out their own political destiny; and they are doing so, both on a national basis and through closer forms of regional co-operation, as witnessed by such institutions as CARIFTA, the Caribbean Development Bank, WIAS, and other forms. On our part, we must obviously judge our own national interests and national priorities. I am only suggesting that there exist, in fact, special connections with the Commonwealth Caribbean, which means we should treat the area under our foreign policy with particular care, and which, in our own enlightened interest, we should preserve and promote.

I formed a high regard indeed for the governments and peoples of this region, countries where I have spent a considerable amount of time since September. With goodwill, understanding and tact, we can and should seek to strengthen our present relations and promote our own national interest. May our efforts bear fruit in the economic development, in the standard of living, and in the improvement of the quality of life in the Caribbean. There will be times in the future, as there have been in the recent past, when the long vines of our linkages with the area are blown and stretched by the hot winds of Caribbean storms. But they will withstand it. The roots are strong and firm. We are all part of the same western hemisphere and of the Commonwealth in this hemisphere. This relationship will grow and prosper for the benefit both of the Caribbean countries and of the people of Canada.

I have tried in the fulfilment of this assignment to understand the nature of the mandate given to me by my colleagues in the Government. Whether my views will prove to be fully acceptable remains to be seen. In any event, I can assure Senators in this interim report that these recommendations are being carefully considered by the Government, and in that consideration I am sure we will be greatly aided by the report of the Standing Senate Committee on Foreign Affairs after such an exhaustive analysis last year of our relationship with this interesting and important part of the world.



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA



70/23

EUROPE REVISITED

Statement in the House of Commons,
December 9, 1970, by the Secretary
of State for External Affairs, the
Honourable Mitchell Sharp.

I have just returned from a round of important discussions in Europe. These included talks with government leaders in Britain, Belgium and the Netherlands, with senior officers of the European Economic Community and participation in the December NATO ministerial meeting. I took advantage of the NATO meeting to have a further talk with Mr. Schumann, the French Foreign Minister.

On this occasion I should like to report to the House particularly on Western Europe, where events are moving so rapidly.

The six nations that today make up the Common Market are expected soon to become ten. Varying forms of association will bind other European countries to the Community. Preferential arrangements have been and will be made for a number of Mediterranean countries and some developing countries in Africa.

The mood in Europe is one of buoyancy and confidence. The horizons of the Common Market are broadening at a time when the will to bring about a deepening of the relations within it is increasing.

The Government has been following these developments with the closest attention for some time. The Minister of Industry, Trade and Commerce has recently tabled in the House a paper outlining their implications for Canada in the light of his own findings in European capitals. I made it the main purpose of my bilateral talks with the governments I visited and with the Community to emphasize certain concerns that Canada has in the face of these developments. My first concern was with the disruption and shifts in Canada's trading patterns that would necessarily arise from Britain joining the Common Market. The second was to make the Community and individual members aware that Canada intends to take increasing advantage of the enlarged EEC as a major market not only for our raw and semi-processed materials but for the finished products of our secondary industries. My third purpose was to impress upon those I visited the political as well as economic dangers inherent in any tendency towards trade polarization between the United States and the European Community.

It will be recalled that the formation of the European Economic Community was accomplished by the negotiation of the Kennedy Round. At that time Europe and the world moved together in harmony in what was a most impressive advance towards freer trade. Today there is little evidence of this kind of harmonious relation -- indeed quite the contrary.

My discussions in Europe came as a logical consequence to the meetings we had in Ottawa two weeks ago with the senior members of the American Administration, led by Secretary Rogers. The same points were made to the United States representatives here in Ottawa, to the British Government in London and those I met on the continent.

The timing of my visit to Europe was determined by the NATO December ministerial meeting. In the course of my statement there, I said that the developments in the last year suggest that we may have reached a turning-point in East-West relations in Europe. The sterile confrontation that has characterized these relations since the end of the Second World War is beginning to give way to a real effort to solve many of the intractable problems presented by the division of Europe. Interlocking negotiations with the Soviet Union are taking place on a broad front.

There can be no doubt that the conclusion of the treaties between the Federal Republic of Germany and the Soviet Union and Poland constitutes progress. These are historic developments that could make a major contribution to a healthier situation in Central Europe. The resumption of intra-German talks is another encouraging move, even though these talks are beset with difficulties. The question remains, however, whether the Moscow and Warsaw treaties -- as yet unratified -- in themselves constitute sufficient progress to justify moving toward a general conference on European security.

There was virtually unanimous agreement that the progress to date was insufficient, largely because no satisfactory arrangement for Berlin has yet been reached. Canada concurred in this view but in my intervention, I suggested the alliance should not be negative about the conference idea. I proposed that in our communiqué we note the useful negotiations currently under way, indicate our satisfaction that some progress had been achieved and express the hope for further progress in the near future.

You will note that in the communiqué the member governments confirmed their readiness, as soon as talks on Berlin had reached a satisfactory conclusion, and in so far as other on-going talks were proceeding satisfactorily, to enter into multilateral talks to explore when it would be possible to convene a conference or series of conferences on security and co-operation in Europe.

The question of mutual and balanced force reductions is one NATO has been pursuing actively in recent years and is of particular interest to Canada. In Brussels the NATO ministers renewed their earlier invitation to interested states to hold exploratory talks on the possibility of negotiations on force reductions and indicated a readiness, within this framework, to examine different aspects of the question, including the idea of foreign force reductions which was publicly advanced by the Warsaw Pact countries last summer.

In the course of the foreign ministers' meeting, I expressed Canada's satisfaction with the results of the recent NATO-sponsored colloquium on oil

spills, which recommended that the governments should work through IMCO to eliminate, by 1975 if possible, all intentional discharges of oil in the sea, as well as to minimize accidental spills. This could be a breakthrough in one area of maritime pollution, particularly since the undertaking involves countries representing a high proportion of the world's oil-carriers. It is an excellent example of NATO's ability to contribute in a practical way to the solution of problems of current concern to its members.

On the defence side, the decisions taken helped to place the respective roles of North America and Europe within the alliance on a more equitable basis and to ensure that in the period of negotiation ahead the alliance will be able to proceed with confidence.

Turning to my bilateral discussions with European leaders -- I was struck by their determination to make progress towards integration. I have already spoken about enlargement. Discussions are taking place about an economic and monetary union and, perhaps more remotely, a common foreign policy. These internal preoccupations have overshadowed the problems enlargement presents to third countries, and for multilateral trading arrangements.

I sensed, however, a growing recognition of the wider responsibilities that an enlarged Community must shoulder, resulting from its sheer size and wealth as the world's largest trading unit. I found, as well, an awareness of the dangerous deterioration in international trading relations which would arise from a confrontation between a protectionist United States and a Europe bent on consolidating its own economic progress.

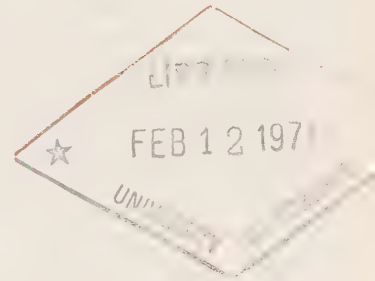
In my discussions I expressed the positive Canadian view of the movement toward greater European unity, while stressing that EEC enlargement should not and need not be brought about at the expense of third countries like Canada. I impressed upon my European colleagues the need for a renewed dialogue between the Community and North America to avert the very real danger of trade confrontation apprehended by qualified observers on both sides of the Atlantic. In this connection I am encouraged by the fact that Signor Malfatti, President of the European Economic Community, has accepted my invitation to come to Canada next spring.

At the NATO meeting, I called attention to the impact of such a confrontation on the solidarity of the alliance and suggested that NATO governments should be thinking of how best they could contribute to the continuing dialogue needed to avert the dangers foreseen....



STATEMENTS AND SPEECHES

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70/24

CANADA AND THE NEW EUROPE

An Address by the Secretary of State
for External Affairs, the Honourable
Mitchell Sharp, to the Ottawa Rotary
Club, December 14, 1970.

Earlier this year, the Government issued a series of booklets called *Foreign Policy for Canadians*. I commend them to your attention....

This series of papers places before the people the results of a fundamental review of Canadian foreign policy, a review designed to ensure that our foreign policy, both in principle and in operation, serves the needs of modern Canada in the modern world. The review calls for an enlargement of Canadian horizons. This enlargement flows from an acceptance of our true position in the western hemisphere, looking westward to the Pacific as we have always looked eastward to Europe, looking northward to the Arctic, and southward not only to the United States but beyond to the Caribbean and Latin America.

These new directions in foreign policy are of importance to all Canadians in terms of the opportunities they offer for diversification of political relations and the broadening of our patterns of trade, both of which strengthen our sovereignty and independence.

The fact remains, however, and the papers make this very clear, that in terms of political relations and trade, Canada's relations with the United States and Western Europe continue to be of first importance.

I have called my remarks this afternoon "Canada and the New Europe", but I shall refer as well to Canada and the United States. The United States has a position of such predominance in world affairs that its policies and activities affect profoundly the policies and activities of all nations.

I have just come back from a trip to Europe, where I visited London, Brussels and The Hague. The purpose of my visits to the British, Belgian and Dutch Governments and to the European Economic Community was to discuss the anticipated enlargement of the Common Market by the entry of Britain and other European Free Trade Area countries and the effects this significant development of the Community might have on Canadian trade with Europe and its impact on international relations.

Shortly before leaving Ottawa, I met with leading members of the United States Administration, led by Secretary Rogers, and discussed the same general range of topics with them.

The timing of my visits to Europe was determined by the NATO ministerial meeting which is held every December to discuss both defence and political questions, so I should like, first of all, to say something about Canada and NATO. In the course of the foreign policy review, one of the questions that had to be faced and settled early was our membership in NATO and related questions of force contribution in Europe. The result was that Canada is -- and will remain -- a fully committed member of the North Atlantic alliance. Canada's security is inextricably bound up with Europe's and Canada will continue to play its part in European security arrangements.

These decisions were taken after exhaustive examination of factors and trends in Europe, attitudes in Canada and alternatives ranging from disengagement from current world power relations to increased involvement in collective security arrangements. Few if any NATO countries have subjected their membership in NATO to so thoroughgoing a study. That Canada has done so, and determined that Canadian interests call for continued membership and continued military presence in Europe, strengthens the alliance.

Against this background, the precise allocation of Canadian defence resources -- as between the European theatre and the North American and Atlantic regions of NATO -- is largely a matter of deciding where these resources can be used most effectively in the common interest. I can tell you, however, that the Canadian Government has no plans for any further reduction in the level of its military contribution in Europe in the foreseeable future.

The foreign policy review went well beyond considerations of security. Of necessity, much of it was devoted to the central problem facing Canada: how to live distinct from but in harmony with the United States, the greatest power on earth. The nations of Western Europe share this problem but in Canada's case it is magnified by geographical proximity, economic interdependence, the shared defence of the North American continent and the pervasive influence of American culture on Canadian society.

The maintenance of an adequate measure of economic and political independence in the face of American power and influence is a problem we share with the nations of Western Europe. In dealing with this problem, there is at once a community of interest and an opportunity to work together. Canada seeks to maintain close political, economic and social ties with Europe, not as an anti-American measure but to create a healthy balance of relations within the North Atlantic community.

While many people in Europe have a full understanding of the historical and cultural links that bind Europe to Canada and of the great opportunities for a scientific and economic co-operation that can contribute to both our societies, there is a too-frequent tendency among European leaders to say to Canada: "Your interests are adequately taken care of by your close relations with the United States; accept the fact that you are a North American nation, sort out your problems with the United States."

For Canada this is not an acceptable option. The United States is our closest friend and ally and will remain so, but to say this is not to say that Canada will come to accept any kind of United States hegemony. Canada will remain sovereign, free and independent. In pursuit of this prime objective, healthy and strong relations with the nations of Europe are essential.

When Canadians look across the Atlantic it is a changing, indeed a new, Europe that we see. The Iron Curtain is no longer so impervious to trade, the exchange of ideas and the process of negotiation. The European Economic Community has become a dynamic reality. We have been very aware of these changes -- perhaps not always aware enough of their meaning and their effects upon Canada.

We are learning fast. The enlarged Common Market of ten, together with some 50 other countries having varying preferential arrangements with it, will encompass 40 per cent of the world's trade. The Market may be expected to import some 16 per cent of what it consumes. Canada cannot afford to stand aside from this great market, cannot ignore what it means in terms of our international trade, the trade by which we live.

This was one of the principal reasons for my visit to the European Communities in Brussels, as well as to some of the capitals of The Six, and for my discussions with the United Kingdom and the United States. It is vitally important for me, as Secretary of State for External Affairs, to take a firsthand reading of the important developments that are taking place or about to unfold in Europe and to meet personally and to renew acquaintance with the personalities who are engaged in changing Europe. For this is what is happening there; The Six, on the one hand, and the four applicants, on the other, that together would make up the hard core of the enlarged Community, will change the map of Western Europe and to some extent the economic and political equilibrium as we have known it since the end of the war.

An enlarged Community would be the world's leading importing unit and The Six, as well as the four applicants, share a measure of responsibility for altering the balance of multilateral trading relations as we have known them. While it is true that the Community and the applicant countries are involved in very delicate, complex and time-consuming negotiations, those who will make up the enlarged Community should at some point take cognizance of their weight and importance in the new configuration of the Western world. Is the enlarged Community prepared to assume world responsibilities in keeping with its size and importance? Can we expect an enlarged Community to be a liberalizing influence in world trade? -

Perhaps in the past Canadians have seen the growing Common Market too much in terms of the threats and constraints it seems to pose and not enough in the light of the challenges and opportunities it offers. We should be ready to take advantage of this great and growing market, not just as a place to sell in increasing quantity primary products of our farms, forests and mines but as an outlet for the finished products of our secondary industries.

The Common Market can absorb, to its benefit and to ours, far more Canadian manufactured goods. It is essential for us to build up our secondary

manufacturing industry, particularly at a time when unemployment in Canada is close to 7 per cent -- and regrettably higher in some areas. The extractive industries may bring wealth to Canada, but they cannot provide enough jobs for our growing population.

Canadian businessmen have a part to play in responding to this new situation. Our improving trade balance attests to the skill and energy they have put into winning their share of markets abroad. To meet the demands of a highly sophisticated market in the new Europe, we must get to know it; we must be ready to overcome stiff competition -- whether of design or price; we must make the best use of advantages we have -- ingenuity, technology and business acumen.

We feel very real concern about some of the effects of the enlargement of this great market. British entry into the Common Market will bring about disruptions and shifts in Canada's exports, particularly of agricultural products. I do not suggest that the growth of the Common Market should be arrested or delayed for Canadian reasons. I do suggest, and impressed strongly on my colleagues in Europe, that the enlargement of the Community should not be and need not be achieved at the expense of third countries such as Canada.

There is also the very real danger of market polarization between Europe and North America. It has taken a generation to begin to alleviate the political polarization that led us into the Cold War; to recover from the effects of trade polarization leading to trade war might be even harder. The effects of such a polarization on Canada would be dire indeed. We stand to lose perhaps more than any other country from United States protectionism and from retaliation by others. We could be left with the choice between moving totally into the embrace of the United States or out into the cold.

In the process of broadening and deepening the Common Market a new kind of trading bloc is emerging, composed not only of countries that are members of the European Community but a large number of other countries associated in one way or another with the Community by preferential trading arrangements. The principle of non-discrimination in trading relations is being breached on a broad front. This is happening at the same time as protectionist tendencies are reasserting themselves in the United States, most recently in the Mills Bill now before Congress. I believe one is justified in being concerned that these European and American phenomena may come to feed upon one another.

It will be recalled that the formation of the European Economic Community was accompanied by the negotiation of the Kennedy Round. At that time Europe and the world moved together in harmony in what was a most impressive advance toward freer trade. Today there is little evidence of this kind of harmonious relation -- indeed quite the contrary.

When I saw European leaders last week, I urged upon them the need for Europe, as it moves toward economic and political unity, not to forget the wider unity of the world, a unity in which all nations have a vital stake. In Ottawa I made this point most strongly to the leaders of the United States Administration.

I do not think I am being alarmist; such a confrontation is apprehended by expert observers on both sides of the Atlantic. The world cannot afford such a costly mistake. Think for a moment about the kind of world in which such a confrontation would take place. In the Far East there is the economic miracle of Japan. The Japanese are beginning to dismantle their import restrictions. They will not be encouraged to continue by retrograde developments in the West. China is emerging upon the world scene as a potential super-power, and, in terms of population, as a market potentially greater than Europe.

By 1972, if not, indeed, in 1971, the Peking Government could be seated at the United Nations. Certainly this is what Canada hopes to see happen. The changes that could flow from this development are incalculable. Little is known of China's intentions. One thing is certain: if Europe and North America are devoting too much of their energies to a sterile trade conflict, they will find it difficult to meet the challenges and seize the opportunities presented by China's growing participation in world affairs.

Trading opportunities with the nations of Eastern Europe are opening up at an accelerating rate. We must be in a position to take full advantage of these, not just because of their economic benefits but because they make an important contribution to the improvement of East-West relations. More trade means more contacts, better understanding and increased opportunity for effective negotiation of issues. The search for a better accommodation with the Soviet Union must be pursued with skill, patience and determination by Europe and America working together, not at odds in trade or anything else.

The developing nations of the Third World must be watching any drift in this direction with deepening concern and apprehension. Recent studies have reinforced the conviction that a maximum effort is required in the next decade, in terms of aid and trade, to enable these nations to escape the treadmill of poverty, hunger and over-population. This calls for a concerted effort by all the developed nations.

The nations of North America and Europe are not answerable only to themselves. As custodians of a great part of the world's knowledge, technological resources and wealth, they must account for their stewardship to the developing nations. Politically mature and experienced, they must engage their energies in the search for a lasting settlement of world tensions.

I have said that in Canada we have some very real concerns. This is true, but in Canada we also have faith that reason will triumph over the search for temporary advantage and that the nations of North America and Europe will continue to work together for the greater good of all mankind.



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No. 70/26

PROMULGATION OF FISHERIES CLOSING-LINES

A Statement Tabled in the House of Commons by the Honourable Jack Davis, Minister of Fisheries and Forestry, December 18, 1970.

With the adoption of the amendments to the Territorial Sea and Fishing Zones Act earlier this year, Parliament laid the foundation for the establishment of exclusive Canadian fishing-zones comprising certain areas of the sea adjacent to the coast of Canada. As explained to the House on April 17, these provisions were enabling only and the creation of the new zones required executive action by way of an Order-in-Council. The required action is now being taken to draw "fisheries closing-lines" across the entrances to the Gulf of St. Lawrence, the Bay of Fundy, Queen Charlotte Sound and Dixon Entrance-Hecate Strait. A Government notice to this effect will be published in the *Canada Gazette* on December 26. The fisheries closing-lines will then be brought into force immediately upon the expiration of the mandatory 60-day waiting period imposed by the amended Territorial Sea and Fishing Zones Act.

There are special geographic and legal factors pertaining to the areas affected by the Government's action, and Canada has historic and other claims to these areas. The establishment of exclusive fishing-zones in the bodies of water under reference, as has been made clear on previous occasions, can in no way be construed as an abandonment of those claims by Canada. It is also well known that the new fishing-zones we are creating are of vital importance to Canadian fishing interests. The Gulf of St. Lawrence alone has had landings of up to 550 million pounds valued at some \$31 million, the Bay of Fundy's landings of 300 million pounds are worth \$12 million, while the Pacific coast area contained within Dixon Entrance and Queen Charlotte Sound has landings of 180 million pounds, worth \$37 million a year.

These are, of course, important considerations, but the Government objectives in introducing this imaginative concept of fisheries closing-lines go beyond the securing of immediate economic benefits, as was outlined by the Secretary of State for External Affairs in his statement to the House of April 17. On that occasion, he pointed out that:

"Now that the world is becoming aware that living resources are not infinitely renewable and that they can, indeed, be exhausted or depleted by over-

exploitation or wiped out by means of pollution of the sea, it is vitally necessary to apply to the exploitation of these resources some of the techniques which have been developed for offshore mineral resources. The action now being taken by Canada is a step in this direction, a step toward a more logical and systematic approach to the management of living marine resources.

"Exclusive rights to harvest may be necessary, but they are not an end in themselves. The end we have in mind is conservation and rational management, and for this purpose we require jurisdiction. That jurisdiction, however, does not rule out the possibility of sharing fisheries-exploitation with other countries; it does, however, allow us to set rules for that exploitation, to impose licensing requirements if necessary and thus to share the financial burden of conservation as well as the financial rewards of exploitation."

The fisheries closing-lines being promulgated by the Government represent a very important step forward in the conservation and protection of Canada's coastal fisheries. It must be recognized, however, that there is also a need for international as well as national action if we are to preserve the marine environment and its living resources for future generations. For this reason, the Government has been consulting with other interested countries for more than two years with respect to the convening of a Law of the Sea conference which would deal effectively with these problems.

The possibility of convening such a conference has been under discussion in the current session of the United Nations General Assembly, and the Assembly has now resolved that a conference should be held in 1973. It is Canada's hope that there will emerge from that conference a rational system of fisheries conservation, management and exploitation in the common interest of all countries, including a clear recognition of the special rights and responsibilities of coastal states with respect to the living resources of the sea, and particularly the protection of the Atlantic and Pacific salmon stocks, which are being maintained at considerable cost by the efforts of coastal states such as Canada and the U.S.A.

In addition, it is Canada's view that the United Nations Conference on the Human Environment to be convened in Stockholm in June of 1972 will offer an important, and, indeed, crucial opportunity for the international community to adopt a bold and constructive approach to the preservation of the marine environment. The living resources of the sea are the greatest wealth of the sea, and it is those resources, of course, which are most directly threatened by marine pollution. The Stockholm conference, we hope, will include among its achievements the laying of a foundation for a global attack on marine pollution, including the work on this problem which we hope will be undertaken at the proposed conference on the Law of the Sea.

Having established the new fishing-zones, the Government intends to conclude negotiations for the phasing-out of the fishing activities of certain countries which have traditionally fished in the areas concerned -- namely, Britain, Denmark, France, Italy, Norway, Portugal and Spain. Canada has recently entered into an agreement on reciprocal fishing privileges with the U.S.A. and the activities of United States fishermen in the areas concerned will not be affected by the promulgation of our fisheries closing-lines. There

are, as well, other treaty arrangements with the United States, and also France, off Canada's east coast, and similarly the rights accruing under these treaties will be respected.

There may be differences of view as to whether or not a phasing-out period should be granted for countries which have carried on traditional fishing practices in areas over which a coastal state has established fisheries jurisdiction, as we are now doing in Canada's special bodies of water. There can, however, be no such differences of view with respect to areas which have become part of Canada's 12-mile territorial sea.

The extension of Canada's territorial sea to 12 miles and the establishment of exclusive Canadian fishing-zones in the special bodies of water will permit us to conclude expeditiously the negotiations begun in 1964 following the passage of the Territorial Seas and Fishing Zones Act.

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